SENATE—*Monday, November 18, 1991*

(Legislative day of Wednesday, November 13, 1991)

The Senate met at 12 noon, on the expiration of the recess, and was called to order by the President pro tempore [Mr. BYRD].

The PRESIDENT pro tempore. Dr. Richard C. Halverson, the Senate Chaplain, will lead the Senate today in our petition to the Supreme Lawgiver and the Supreme Judge of the world.

Dr. Halverson, please.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

Blessed are they which do hunger and thirst after righteousness: for they shall be filled.—Matthew 5:6.

Eternal God, perfect in truth, righteousness, and justice, our society languishes for righteousness. We speak much about justice, fail to take righteousness seriously, not realizing they are identical in the Bible. Righteousness is justice, justice is righteousness. To be just is to be righteous, to be righteous is to be just. Despite which we make much of the importance of justice while we disregard righteousness.

Righteous Lord, help us understand that there can be no justice without righteousness, no righteousness without justice, that legality and morality are identical to You. Grant to us the awareness that to be legal and immoral is a contradiction in terms. Help us realize that as health is to the body, righteousness is to the soul. Awaken in us a hunger and thirst for righteousness.

In His name who was righteousness and justice incarnate. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The Senate will be in order. Under the standing order, the majority leader is recognized.

SCHEDULE

Mr. MITCHELL. Mr. President, today, following the time reserved for the two leaders, there will be a period for morning business not to extend beyond 1 p.m., with Senators permitted to speak therein for up to 10 minutes each.

When morning business closes at 1 p.m. the Senate will resume consideration of S. 543, the banking bill. I understand from staff that the managers will be ready to proceed with an amendment as soon as the bill is resumed and other amendments are anticipated this afternoon.

As I stated on the Senate floor on Friday, in an effort to accommodate as many Senators as possible, we will attempt to schedule rollcall votes at a time at which the least number of Senators will be inconvenienced. I am advised, however, that rollcall votes could occur as early as mid-afternoon and will occur by late afternoon.

Mr. President, the target date for adjournment sine die is prior to Thanksgiving. That is now less than 2 weeks away and I want to repeat what I have said orally on several occasions and in writing to other Senators; that votes can be expected at any time on any day between now and then. Senators should be prepared for long sessions as necessary throughout the remainder of this session.

CLOSED CAPTIONING OF SENATE DEBATE

Mr. MITCHELL. Mr. President, today the Senate inaugurates a new service which will bring the Senate's Chamber proceedings to the hearing impaired, those elderly with slightly impaired hearing and those for whom English is a second language. This service, called closed captioning, combines the skill of specially trained court reporters with unique computer software to nearly simultaneously superimpose on viewers' TV screens the words Senators are speaking.

These closed captions are being shown to all viewers right now, but shortly only those with special equipment, called decoders, will be able to see the captions.

It is important in any democracy that all citizens, regardless of their abilities, have access to the workings of their Government. For too long, those with hearing impairments have been denied access to Senate sessions.

The ability to see and comprehend important national debates should be a basic right available to all Americans. Senate galleries have been opened to the public since the Capitol Building was first built. Nearly a decade ago, the Senate began televising its sessions. Through C-SPAN and the expansion of the Nation's cable system, almost half of our population can watch the Senate conduct the Nation's business. And today, through truly remarkable technology and human skill, these sessions are accessible to those nearly 23 million Americans who are totally deaf, suffer some hearing loss or are just learning English.

The Americans With Disabilities Act, which became law on July 26, 1990, mandated equal access by those with disabilities to Government activity. This law required that equal access be provided no later than January 1992. The Secretary of the Senate is to be commended for ensuring that the Senate meets the spirit of this law. It is one more step taken by the Senate to make sure every American has full opportunity to know what his or her Government is doing on his or her behalf. To them we say welcome.

Our elderly frequently suffer just enough hearing loss to make watching TV difficult and frustrating. Captioning technology makes it possible for them to watch TV again. We also know that many of our Nation's elderly watch the Senate and House in session and maintain a keen interest in the workings of their Government. To them we say welcome.

Captions are more and more frequently used as a learning aid by those whose first language is not English. Many of these people are new immigrants attempting to learn the language of their new nation. To them we say welcome.

I know my friend, the distinguished Republican leader, joins me in greeting all of our new viewers. And I restate once again our goal that all Americans should have the opportunity to fully use their abilities, not to be limited by their disabilities.

Mr. DANFORTH. Mr. President, I wonder if the majority leader would yield for a question relating to the possibility of a tax extender bill reaching the floor?

Mr. MITCHELL. Certainly, Mr. President, I will yield.

RESERVATION OF LEADER TIME

Mr. MITCHELL. Might I first reserve the remainder of my leader time and all of the leader time of the distinguished Republican leader.

The PRESIDENT pro tempore. Without objection, it is so ordered.

A TAX EXTENDER BILL

Mr. DANFORTH. Mr. President, as the majority leader well knows there are some 12 provisions in the Internal Revenue Code which will expire on December 31, if no action is taken by Congress. Those include the low-income

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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housing tax credit, which the majority leader has been instrumental in, the research and development tax credit, the targeted jobs tax credit, and nine other items.

I know that one of the concerns that has been expressed is that a tax bill which comes to the floor of the Senate is likely to be a Christmas tree. But last week, Senator DODD and I circulated a letter. We have 76 Members of the Senate who have signed on to the letter. And the letter concludes by saying:

> We agree to oppose any amendments to a bill which extends these 12 expiring tax provisions.

My question to the majority leader is whether the majority leader would be willing to enter into discussions with the Republican leader and with the chairman and ranking member of the Finance Committee, and perhaps with the leadership of the House of Representatives, for the purpose of exploring the possibility of bringing to the floor of the Senate a simple, clean extender bill between now and when we adjourn?

Mr. MITCHELL. Mr. President, not only would I be willing to, but I have already begun that process, prior to this discussion and prior to the receipt of the letter, with some of the persons mentioned by the distinguished Senator from Missouri and while I do not make scheduling decisions ever without full prior notice and consultation to the Republican leader, and so obviously will not do so in this case, I do want to express my personal view that I am strongly in favor of extending these tax provisions. As the Senator from Missouri knows, I was the author of the low-income tax provision and he joined with me and greatly strengthened and improved that legislation. It is very important legislation, to which I am deeply committed, as are many of the other expiring provisions to which he referred.

I was heartened by the receipt of the letter which Senator DODD delivered to me late last week. I had previously discussed the matter with some of the key participants, to which the Senator from Missouri referred, in an effort to figure out a way to get some or all of those expiring provisions extended. And I assure the Senator that I will take it up with the distinguished Republican leader today. We have a meeting scheduled later today to discuss a number of matters, including scheduling for the remainder of this session. I want to thank the Senator from Missouri and commend him for the effort and leadership that he has demonstrated in this area.

Mr. DANFORTH. I thank the majority leader.

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

MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, morning business will extend until 1 o'clock p.m., with Senators permitted to speak therein for not to exceed 10 minutes each.

Mr. CRAIG addressed the Chair.

The PRESIDENT pro tempore. The Senator from Idaho [Mr. CRAIG] is recognized.

TAX-CUT FEVER

Mr. CRAIG. Mr. President, I think all of us have read the headlines in the papers over the last several weeks that tax-cut fever is sweeping the Congress of the United States. It is a term certainly I have read and many have talked about.

Frankly, it is an exciting term. It has been a long time coming to recognize some of the burdens we placed on the economy of this country. I am excited to see some of my Democratic friends talk about tax cuts. I would like to suggest that maybe that is an important new word to their vocabulary, but whatever it is, Mr. President, I suggest to this body that a good case of congressional tax-cut fever might just succeed in curing some of the ills of our economy.

I do not believe there is any mystery about why we are having economic problems today. Taxes are, in most cases, too high, and those taxes are oftentimes strangling the economy, locking up investment and, when it is freed, it oftentimes runs overseas to avoid abusive taxes that we have in this country.

What happens, Mr. President? People are put out of work, and I think the future of our country, our economic future is seriously threatened.

The real standard of living is declining for the first time in decades in this country and young couples simply do not know what to do about it and are unprotected by what is currently going on. Last year's budget agreement, the same agreement that was supposed to bring about a reduction in deficits and increased prosperity in this country in my opinion has dealt a substantial blow to an economy that was vulnerable at the time and remains vulnerable today. It has generated a deficit of over $280 billion and it raised taxes.

History, or a brief scan of tax history, suggests this was the first time that Congress actually increased taxes in the face of a recession since the Great Depression of the thirties. That is why a number of us opposed the budget agreement at the time, and why many of us now would like to see the Senate and the Congress of the United States enter into some serious tax policy consideration, tax policy that would bring about tax reduction and play an important role in moving this economy ahead.

Mr. President, although I hope the headlines are correct and that we really are going to experience some tax-cut fever, I also hope it does not cause us to lose sight of our real goal, and I believe that real goal has to be moving our economy in a positive direction as quickly as we can address it. It is important to acknowledge that not all tax cuts are going to be equally effective in achieving that goal. Therefore, I think it is our responsibility to sort those whose could be effective in that goal and that purpose.

One of those, in my opinion, is to address the question of taxing inflation. Of all the American taxes today, none is more unfair and unreasonable and I believe destructive than that kind of a tax that actually goes after the inflation. It occurs as a result of what we are now doing to a capital gains policy in this country. It occurs because that policy taxes the profit made on the sale of a capital asset and it addresses and does not recognize the inflation that would be involved in that kind of a gain. Certainly that does not assist nor does it encourage the kind of capital investment critical to stimulating the economy and bringing about job creation.

Let us take an example of an American homeowner who I think all of us can understand, Mr. President. Say you purchased a home years ago and its increase in value has only kept pace with inflation itself. If you were to sell the house today, you would have a capital gains because according to our tax policy you would be making a profit and, of course, you would have a 28-percent tax on that profit.

The reality says, however, that your values have increased because of inflation, not true or real profit. You are back to square one until you pay the tax which actually puts you at a loss. In other words, today if you cannot defer the capital gains tax on your house, you would not be able to buy a better home. If you were to relocate for employment reasons, you would have to buy possibly a cheaper home or actually downgrade your living situation.

Mr. President, last week in the airport in my home State of Idaho, the Boise airport, a businessman came up to me and said, Senator, I am starting a new business here in Boise, a new software business, and I have gone around the country searching for the kind of employees I need to strengthen this business. I found five. Five men and women who would like to move to Idaho to become my employees and work with me in the strengthening of this business, but none of them will move today because of the capital gains consequence that they would have to take on their house and the uncertainty of the economy.

Put those two combinations together today, Mr. President, and we see a very sluggish economy as a result of it.

So the example I just gave is not far-fetched. Just last weekend that exam-

ple came home and clearly it affects the employment base that we are talking about, job expansion, the kind of economic movement that we would all want to see in this country. So it is real life, it is happening.

Senator SYMMS, my colleague from Idaho, and I introduced two different versions of capital gains reform this past year. Yet, they said in committee nobody wants to talk about it, we are all in a flurry now about seeing who is on first, and who is on second, about who can cut the most. Let me suggest as we talk about this Congress opening up a budget agreement to address tax policy that we truly address that which will, in fact, generate growth in this country, that will create jobs and will not be just a redistribution of the wealth of this country.

Another example is true in my State, as is true in many States. We have part of my agricultural industry that is in very tough difficulty at this time, the dairy industry. And yet we have men and women in that industry who, because of the economy, would like to retire out of it, sell off their dairies and go into retirement. They cannot afford to do so. Why? Capital gains treatment. Again, not addressing real profit but addressing inflationary profit, if you will, or inflationary margins which is simply unfair.

Why should anyone then sell a house, or a farm, or any kind of other capital asset today if they are going to actually lose money by doing so? The answer is they should not. The answer is they are not. As a result, we have seen substantial economic slowdown, less job creation. We all know the current state of the economy as a result of it, and yet this Congress, this Senate, will not address the real important value of a capital gains tax reduction that would address inflationary attributes of it and, therefore, allow real profits to once again move in the economy for job creation.

I have heard a lot of bickering back and forth about this issue, but I do not think anybody is yet willing to address it. Why? Because of the argument that we might be giving the advantage to someone who is rich. This has become a rich-poor argument. The two examples I have just given are not rich examples. Let me suggest that this is not a rich or a poor issue. If it is, then by definition, my Democrat colleagues in the House are suggesting that everyone who owns a home or a farm in this country today who might like to sell it because they would wish to retire or they would wish to move is a rich person. We know that is not the case at all. Capital gains has always been a recognition and a treatment of the true value of an investment and the profit coming from that and not the inflationary kind that I just mentioned.

Mr. President, our colleague, Senator BENTSEN, chairman of the Finance Committee, has recognized the need for tax cuts to promote capital gains formation, and I applaud him for doing that, and I would applaud this Senate if we were to move clearly in that direction. It is fundamentally important that we do so in the coming weeks and months if we are to see this economy move in the vibrant way that we would expect.

Indexing is key to that. Recognizing inflation embodied within that kind of growth in one's investment is fundamentally important, and I urge my colleagues to join in this effort to get the job done before it is too late—clearly, before we see this economy drop even further and see more of our fellow citizens unemployed.

I yield back the remainder of my time.

The PRESIDENT pro tempore. The Senator from Nevada [Mr. REID] is recognized for 10 minutes.

CONGRESSIONAL REFORM

Mr. REID. Mr. President, I rise today to talk about Senate Concurrent Resolution 557 which was authored by Senator BOREN of Oklahoma.

This legislation, which was introduced in July of this year, now has 27 sponsors. In effect, what this legislation does is say that it is time we, the Congress, took a look at ourselves to find out how we work and what we can do to improve the way we work.

As an institution, Congress has come under increasing criticism in recent months. It has come under criticism from our constituents, the press, and sadly, Mr. President, even some of its own Members. I think, frankly, that is one of the problems of this institution—Members of the House and the Senate do not speak out for the good things that happen. Rather, when they go home to townhall meetings or press interviews, they tend to join the throng in bashing Congress. Congress is seen as caught in the swirl of negative politics, attack politics, vicious politics, personal politics, cheap sloganeering politics, and even trivialized campaign issues.

It is not as if Congress has not in the past looked at itself, because it has and there have been major reorganizations in years gone by. But in recent years, Congress has made review of its operations in 1976, 1977, and 1984. There needs to be some things done, however, Mr. President.

Just 3 years ago, the Senate Rules Committee issued a report on Senate operations, and they concluded that the following appear to merit particular attention: efficient use of a Member's time on floor activities. The Rules Committee further went on to say that we need to take a look at the difficulty of scheduling business on the Senate floor. The Rules Committee further said that there are recurring concerns over committee assignments and schedules, the issue of germaneness and other proposals affecting floor amendments, and they said we should look at the frustrations that often result from the authorization-appropriation-budget process.

Just this session of Congress, over 200 bills have been introduced in the House and Senate to review the way Congress does business.

The reason I particularly think we have to take a close look at the legislation of Senator BOREN is that it does not appear to want to take a look at Congress on the cheap, so to speak. It does not, for example, talk about term limits, which is the vogue of the day. It is, in this Senator's opinion, one of the most wasteful discussions that we have. In fact, it seems strange that in Eastern Europe they are becoming free, that is, they are going to be able to vote for their representatives and all of government, and we are having a supposed wave sweep this country which says there are people who will not be able to vote for whom they want because there will be an arbitrary limit saying that a House Member after serving three terms, for example, would not be able to serve another.

To show how arbitrary and capricious the term limit would be, it would, in effect, Mr. President, increase the power of what our constituents want less power of, and that is the bureaucrats, staff, and lobbyists would become even more powerful.

Senator BOREN's legislation does not direct its attention to term limits or something like the line-item veto which is a way that people want to cure all the ills of government very easily, when in fact we know that the Founding Fathers threw out term limits recognizing that it would not work.

The reason I think Senator BOREN's legislation deserves some attention is that he has given some serious thought to this. This is in keeping with the way Senator BOREN has conducted himself during his governmental service. He served in the State legislature. He was elected, as a very young man, as Governor of the State of Oklahoma on a platform to reform State government, and in fact he did that as Governor.

I think he comes well suited to sponsor legislation like he has. We all know that Senator BOREN is a Rhodes scholar. He is a thoughtful man. So I commend and applaud Senator BOREN for drafting this legislation.

In effect, what this legislation does is create a Senate-House committee to examine our operations and make recommendations for change. The problem of inefficiency is something that has plagued both Houses of Congress. Between 1970 and 1990, the number of subcommittees in the House grew 40 percent. Committee staff during that same time grew almost 200 percent.

There does need to be some attention directed toward this issue.

The committee that we hope will be appointed should look into the hours spent on committee hearings, markups, hours spent on the floor, number of rollcalls taken versus the amount of work that gets done.

I think one of the things we could do to improve efficiency around here—and I am sure the committee will look into this—is to deemphasize the importance of everyone being here for a rollcall vote that passes overwhelmingly. We drop the most important committee hearing because we need to come over here and vote when the vote is 86 to 3. We drop the most important business being conducted with the administration, with the White House. Meetings with the President are suddenly abandoned because there has to be a rollcall vote attended. There has to be a deemphasis placed on that.

The Senate, Mr. President, is wasting time on lopsided votes, as I have mentioned. Senator BOREN has estimated as much as 25 percent of his floor time is spent on these quorum calls and lopsided rollcall votes,

Floor deliberations many times are seen as meaningless and poorly attended.

I think it is important if we just reflect back. I have served in this body 5 years, and there are not many important debates that have taken place where there has been good attendance in this Chamber. Of course, we try to watch as much as we can with the television that we have in our office, but as I look back, there were some important debates that everyone should have attended. I can reflect on two where Senator BUMPERS, for example, gave a brilliant statement on this floor regarding battlefield monuments.

There was another floor statement given in the past month or so, Mr. President, with very few people here. It was given by the President pro tempore dealing with the Thomas nomination. Everyone should have heard that debate, and they did not because we were off doing things that probably were not as important as listening to something as important as his statement on that debate.

So, Mr. President, I again commend and applaud Senator BOREN for the leadership he has shown on this issue. I hope that we, as a body, will join him in recognizing that we do need to do certain things which will improve the efficiency of this body and still not take away the power of the legislative branch of Government, which was given to us by our Founding Fathers, which gives the State of Nevada as much authority and power as the great State of California.

I yield the floor.

The PRESIDENT pro tempore. The Chair recognizes the Republican leader whose time has been reserved by unanimous consent.

Mr. DOLE. I thank the President pro tempore.

CLOSED CAPTIONING OF SENATE PROCEEDINGS

Mr. DOLE. Mr. President, 1 year ago, Congress joined with President Bush to enact the landmark Americans With Disabilities Act, a sweeping reform package that guarantees persons with disabilities access to the mainstream of American society.

Today, I am pleased to join with my colleagues in celebrating another breakthrough for Americans with disabilities—closed captioning of the proceedings of the U.S. Senate.

Beginning today, a significant but for too long forgotten segment of American society will now have the immediate capability to follow action in what historians call the world's greatest deliberative body.

Hard to believe now, but as recently as 1984, television and radio coverage of Senate action did not exist. With the advent of gavel-to-gavel Senate television coverage, vast numbers of Americans have kept watch on their elected officials. Today, we have taken the next logical step—by beginning closed captioning, this body's proceedings will be available, with the use of a closed-captioning decoder, to the more than 23 million Americans who are hearing impaired, including the 2 million Americans who are profoundly deaf.

Mr. President, closed captioning also brings additional advantages—implementation of this innovative technology will also open new doors for those with learning disabilities, and those using English as a second language.

Studies have shown that captioning improves the vocabulary and comprehension of remedial readers. Additionally, those working with illiterate adults have found that captioning is effective in motivating adults to learn reading skills.

Mr. President, I am proud to have sponsored both the Americans With Disabilities Act and Senate Resolution 13, which called for closed captioning of Senate proceedings. I know all my colleagues join me and Senator MITCHELL today in recognizing this milestone, which removes another barrier to fulfilling the promise of the Americans With Disabilities Act.

By opening this important window on our democratic process, we are taking action to ensure that the world's greatest deliberative body is also the world's most accessible legislative body.

EXTENSION OF TAX CODE PROVISIONS

Mr. DOLE. Mr. President, I certainly agree with my colleagues, particularly my colleague from Missouri, Senator DANFORTH, with reference to economic stability, and what we might do between now and the time we recess.

The Senator from Missouri has made a very cogent case that we ought to extend expiring provisions of the Tax Code which offers certain tax incentives to a number of different groups around the country. I certainly do not disagree, and I know he is making a valiant effort. I know there are 70-some, 76 or 79, Senators now bringing that bill to the floor to extend all of these so-called expiring provisions, and that they will forgo offering any other amendments.

We have to remember, this has to originate in the House. It is a revenue bill. It would have to originate there—plus, we have to pay for it.

I understand the Senator from Missouri. There are a number of ways they can find to pay for it. I can tell you, having just dealt with extended benefits for the unemployed, that paying for things is not easy. Given the difficulty of bringing a tax bill to the floor, I think, rather than have all the extenders out there, maybe we ought to pick out the most important ones.

I have to believe that the country would still survive if all of these were not extended; if some were eliminated totally. We are looking at all the spending provisions. Why should we not look at some of the tax provisions that cost the American taxpayer money, too? Certainly, the R&D credit should be extended. I think low-income housing—though I must say I think there are some who question the benefits of the low-income housing credit—certainly helps a lot of people up the ladder. I am not certain it would help those at the bottom of the ladder.

I think we need to take a look at some of these provisions. I will not list them all. I would certainly strongly urge the extension of the 25-percent health care deduction for the self-employed. It is very, very important. Without it, many simply will go without health insurance which is going to add to the crisis.

So I will just suggest, without going down the list of all 12 of these expiring provisions, that somebody can probably make a case for every one of them. But can we make a good case for every one of them? It seems to me, in this time of tight money when we do not have much flexibility, that we ought to try to limit our tax spending, just as we limit other spending.

Someone should take a hard look at these expiring provisions. We sort of extend them automatically, year after year, without thinking much about it. That is why when we add up the Federal deficit it is now $3½ trillion, because nobody ever takes a look. We figure, well, some special-interest groups want this extension, so we ought to extend it. My view is we ought to take a look, and we ought to try to find out which ones are necessary and which ones do not really serve any useful purpose, but are there primarily because some special-interest group has made a case and then asked Congress to extend

that provision year after year after year.

CREDIT CARD RATE CAP

Mr. DOLE. Mr. President, I will comment on a matter that has been in the news over the weekend. That is the so-called credit card rate cap. I know there has been a lot of gnashing of teeth and a lot of bankers have been calling in—some probably with justification—some big banks saying they may go out of business; they have to fold up the bank.

A lot of that probably is scare tactics, but there may be a certain amount of truth. And probably Congress should not try to involve itself in the marketplace. I must say, I think there were a number of votes cast for this credit card rate cap sort of to send some of the bigger banks the signal to help us get together a banking bill.

Let us start being part of the solution instead of part of the problem. I think banking legislation is very important. We may be in the last week of the session this year. I think we need to know that we are going to have some help from the American Bankers Association and others in putting together a responsible banking reform package.

So I would say that some of the votes, some of the 74 votes cast in favor of the amendment, were to send signals to those who were all over the lot on banking legislation, to kind of try to come together and try to help the Secretary of the Treasury, Secretary Brady, the administration, and the legislative leaders on both sides of the aisle to put together banking reform legislation that is meaningful and will help the American consumer, the banking community, and the business community; and help in what little way it can to pick up the recovery.

There are some alternatives to the amendment that was adopted. Those may be offered today, or sometime later. We will be speaking more about alternatives to the amendment adopted last week by a vote of 74 to 19.

Those of us who voted for that amendment are not trying to do in banks; we are not trying to do in consumers. But I must say, a lot of us—maybe not experts in the matter—wonder why they just send credit cards out like coupons all over America. Just send them out; maybe somebody will use the credit card, and somebody else has to come along and pay high interest rates on their credit card purchases to take care of big losses.

There has to be some way to encourage these big banks to at least check on somebody's creditworthiness before sending out credit cards, which they can then use to go in and buy merchandise, whatever the limit may be. They can use the card up to that limit, and then they do not pay. Somebody else has to pick up the tab.

It seems to me it is not very good business, though I understand the banks make a pretty good profit in this business. Some of us want to work with the administration. Maybe there should not be legislation; maybe there should not be a mandate.

So let us all get together to figure out something where the banking community can help us get a banking reform bill, and we can help them get some more flexibility in setting bank credit card interest rates.

Mr. President, I yield the floor.

Mr. SYMMS addressed the Chair.

The PRESIDING OFFICER (Mr. REID). The Senator from Idaho.

CONFEREES ON THE GUN BILL

Mr. SYMMS. Mr. President, over the past several days, I have objected to the appointment of conferees on the antigun bill approved earlier this year by the Senate.

I have objected to conferencing this bill because I believe what this country needs is crime control, not gun control. Frankly, Mr. President, the Senate version of the legislation would do too much to abrogate the second amendment to the Constitution and too little to place the penalty for violent crime where it belongs: on the criminals.

Mr. President, each year, roughly 20,000 people are murdered in the United States. That means that 55 people will be killed in the United States today. Over two will be killed this hour, one will be killed in the District of Columbia, probably within a few miles of this building or blocks, possibly.

Only a microscopic percentage of these homicides will be committed with the semiautomatic weapons outlawed by this bill—fewer than are committed with "knives or stabbing instruments"; fewer than are committed with "blunt objects" or hands, feet, or other body parts; fewer than are committed by strangulation.

Furthermore, 80 percent of the weapons used in committing homicides will be obtained unlawfully—80 percent. This means that no gun ban, no waiting period, no background check will be effectual in averting these homicides. They buy the guns illegally anyway. It is instructive that the recent increase in the rate of violent crime in three typical non-waiting-period States—Virginia, West Virginia, and Montana—was 51 percent. What happened in the three waiting-period States—New York, Massachusetts, and Connecticut? The crime increase was an incredible 362 percent. In other words, the rate of increase in violent crime in these three waiting-period States was over seven times what it was in the States without waiting periods.

Mr. President, the fact is that the way to control violent crime is not to ban guns, but to arrest and incarcerate criminals. In a 1990 study, the Department of Justice published an elaborate profile of felony defendants in large urban counties. If found that two-thirds of the felony defendants studied had an arrest record. Almost four-fifths of that group had a felony arrest record. Furthermore, one-quarter of all felony defendants had four or more prior felony arrests.

Mr. President, it does not take a rocket scientist to figure out that the way to control crime is to put the criminals in jail and keep them there. Unfortunately, with few exceptions, such as the Symms admendment to impose the death penalty in the District of Columbia, the Senate-passed crime bill would not punish criminals. Rather, it would punish law-abiding gun owners. How is that going to make America a safer place to live, if you punish law-abiding gun owners who might be able to defend themselves from violence and make the streets safer places to live?

Mr. President, I say again that we need a crime bill, but we need an anticrime bill, rather than a procrime bill, which I am afraid the Senate-passed version has become. Therefore, Mr. President, the Senate-passed procrime bill, antigun bill will not be sent to conference during the first session of the 102d Congress if this Senator has anything to say about it.

THE CLEAN AIR ACT AMENDMENTS

Mr. SYMMS. Mr. President, on another subject, I wish to discuss with the Senate this morning what is happening with respect to our economy and, specifically, what is happening to the regulatory side of our economy. A little over a year ago, the Senate passed and the House passed legislation that was signed by the President, the 1990 Clean Air Act Amendments.

Mr. President, I just say that if the Senate, the House, and the White House want to do something to help the economy, maybe they ought to just have a stay of execution of the implementation of the Clean Air Act for 4 or 5 years, because it might do more for the economy than anything we can do with respect to tax cut and so forth.

I want to read a quote from Warren Brookes' column of November 14, 1991:

> Instead of a tax cut, President Bush could do much more for the U.S. economy by suspending implementation of the 1990 Clean Air Act, for one or two years, saving the economy $40 billion a year for little or no loss in benefits. With the auto industry losing $5 billion so far this year, it really ought to be repealed.
>
> That point was driven home when nine Eastern States plus the District of Columbia announced they would adopt the more stringent California clean air standards, including tighter tailpipes and forced introduction of alternate fuels and electric cars.

This decision will raise the implementation cost of the Clean Air Act from an estimated $400 per new car to as much as $1,000 and raise fuel costs in those States by 15 percent to 25 percent.

I make these points, Mr. President, not necessarily to say, "I told you so," to my colleagues here in the Senate, but it appears to this Senator that the more this Congress acts, the worse the economy gets.

What kind of things do we do? We continue to impose regulations on the producers of the country that have to generate the wealth so that we can enjoy a good standard of living, so we can take care of the disadvantaged people, so we can have a clean environment. But we literally seem to deny reality and not face reality, Mr. President, when it comes to congressional action.

This is an extremely intrusive bill to the regulatory activities of the country. The overkill that came in the Clean Air Act is all too typical of congressional action. It is just like the fact that we do need bank reform, for example. I happen to be in favor of bank reform, so American banks can once again compete on a worldwide basis on a level playing field. What does the Congress decide to do? Impose congressional mandates into the setting of interest rates on credit cards. How we could come to that conclusion that that would be a wise thing to do is beyond this Senator. Of course, I did not vote for it. Unfortunately, it passed, and it sent a scare through the market—maybe an exaggerated scare.

One wonders how much abuse the capitalist system can take from the Congress imposing these regulations. It is a coercive utopia we live in, thinking that we can impose a utopian standard on the world the way we think it should be, and deny the actions of the marketplace. That is what the issue is about.

Mr. President, I will soon ask unanimous consent to have printed in the RECORD a column by Warren Brookes, "High Costs of Going California," from the November 14, 1991, commentary section of the Washington Times; a second column on November 18, 1991, "Clean Air Act Overkill," where he goes into what happened when Amoco recently closed its Casper, WY, refinery as of December 1 "because it requires substantial capital investment that cannot be justified, given the marginal economic performance of the refinery" to comply with the 1990 Clean Air Act. So the people that live in Casper, WY, just got the shaft. They lost 210 jobs and $10 million a year from some 50 area gas stations who have to look for other sources of employment and fuel, because while "Amoco is committed to protecting the environment," to comply with the law, those folks are just left out.

It is interesting, if you read the risk assessment, what it costs to close a plant like that. It ends up costing the economy more than a substantial percentage of what we spend at the National Institutes of Health doing cancer research. The risks are only one cancer more that might have come from that plant, theoretical risk for the likely cost of the Clean Air Act, 331 theoretical cancer risks and we cannot provide basic health insurance for all uninsured Americans.

I ask unanimous consent that these articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Times, Nov. 14, 1991]

HIGH COSTS OF GOING CALIFORNIA

(By Warren Brookes)

Instead of a tax cut, President Bush could do much more for the U.S. economy by suspending implementation of the 1990 Clean Air Act, for one or two years, saving the economy $40 billion a year for little or no loss in benefits. With the auto industry losing $5 billion so far this year, it really ought to be repealed.

That point was driven home when nine Eastern states plus the District of Columbia announced they would adopt the more stringent California clean air standards, including tighter tailpipes and forced introduction of alternative fuels and electric cars.

This decision will raise the implementation cost of the Clean Air Act from an estimated $400 per new car to as much as $1,000 and raise fuel costs in those states by 15 percent to 25 percent.

This might be worth it if there were really significant potential gains. There aren't. When you examine the *actual* ozone exceedance data for 1989 through 1991 (the most recent three-year period), not only does "going California" look ludicrous, the entire $12 billion ozone non-attainment section of the Clean Air Act looks insane. Sadly, the Environmental Protection Agency is still scaring states by issuing obsolete 1987–89 averages that wildly overstate current reality. (See Table.)

In the 1989–91 period, six of the 10 "going-California" states (counting D.C.) had one exceedance day or less per year, meaning they were in *full compliance*. The other four averaged five days a year and were thus in compliance 98.6 percent of the days. Even New York City had an average seven days exceedance, a 98.1 percent compliance rate. The EPA still rates it "severe."

By comparison, Los Angeles averaged 121 days a year of ozone exceedances and was in compliance less than 70 percent of the time. This means using California standards to deal with infinitesimal Northeast smog levels is like preparing a Mount Everest expedition to climb the San Francisco hills (particularly when California's own South Coast Air Quality Management District is already easing its own rules for economic reasons).

More important, in the East, the National Oceanographic and Atmospheric Administration estimates more than 60 percent of ozone precursors are natural hydrocarbons (trees etc.). And since auto volatile organic compounds only account for 30 percent of total volatile organic compounds, and new cars only 3 percent of total autos, a 10 percent to 15 percent reduction in new auto emissions cuts total smog precursors only 1 percent. With up to $1,000 higher costs per new car, that could leave more dirty, older cars on the road.

A recent Unocal study shows 1970 vintage cars emit 24.8 grams of hydrocarbons per mile, 1975 cars 8 gpm, current new cars only 0.4 gpm. That's why enhanced inspection and maintenance is the lowest-cost way of cutting emissions, $600 per ton compared with up to $50,000 per ton for "clean fuels."

Indeed, 75 percent of the added emissions reductions claimed for California controls in a study by the Northeast States For Coordinated Air Use Management come from enhanced inspection and maintenance.

But politicians don't like inspection and maintenance because it increases state government costs and makes voters mad. That's why most of the 10 states "going California" have skipped inspection and maintenance and will adopt only those things that can be passed back to the oil and auto industries (and then on to us). But this produces only a net five-hundredths of a gram per mile improvement over the Clean Air Act, a minuscule gain.

Worse, EPA is hyping this process by withholding valuable information about the actual trends in surface ozone in U.S. cities that show the 1988 data (on which the 1990 Clean Air Act was based) were so anomalous as to be fundamentally deceptive.

In 1988, there were 925 ozone exceedances in the top 114 metro areas. In 1989, that plunged to 234, and in 1990 to 286. In the non-California urban areas, the plunge was even more dramatic from 617 exceedances to an average of 122 from 1989 through 1991, from six per city in 1988 to an average of about one from 1989 through 1991, from 85 non-California cities out of compliance to only 22, from 1989 through 1991.

To put it bluntly, the 1988 data were a meteorological fluke that no amount of emissions controls could change. In city after city still listed as "severe" or "serious" ozone exceeders by the EPA, the 1989–91 data show no such dangers. For example, in 1988, Chicago had 16 exceedance days. From 1989 through 1991, it averaged only one.

Newark, with eight days in 1988, fell to one for 1989–91 and is now in compliance. Boston with 10 exceedances in 1988 averaged two for 1989–91. Richmond, Va., with nine in 1988, averaged under one in 1989–91 and is now in compliance. The same holds true for Washington, D.C., St. Louis, Cleveland and Pittsburgh, as all but a handful of cities are now within three days of compliance, which is well within the statistical errors inherent in EPA ozone testing.

In short, suspending the 1990 Clean Air Act would have no measurable effect on human health or the ecology. Indeed, by speeding up new car buying, it could actually produce cleaner air.

[From the Washington Times, Nov. 18, 1991]

CLEAN AIR ACT OVERKILL

(By Warren Brookes)

On Oct. 3, the Amoco Oil Co. announced it would close its Casper, Wyo., refinery on or about Dec. 1, "because it requires substantial capital investment that cannot be justified, given the marginal economic performance of the refinery in recent years."

The company said compliance with the 1990 Clean Air Act amendments, added to other environmental requirements under the Resource Conservation and Recovery Act and the Clean Water Act, would cost an estimated $150 million for a plant whose present value is only about $25 million.

So, its 210 employees and some 50 area gasoline stations will have to look for other sources of employment and fuel, because while "Amoco is committed to protecting

the environment, the enormous expenditures required make it imperative that we commit our capital to refineries that have a more favorable outlook."

Environmentalists will point out this was a small and economically marginal plant. True, but that is precisely why it is so vulnerable to any major increase in regulatory costs. Indeed, the biggest danger of these costs is not to established corporations, but to smaller, more marginal businesses.

But as one environmentalist said to us casually, "Well, then, maybe they shouldn't be in business, if they can't meet the clean air standards." That argument, as hardhearted as it sounds, would still be acceptable if the ecological and health benefits were sufficient to offset the economic costs. In the case of the Amoco Casper refinery, that's a very hard case to make.

Nationwide, the total regulable risk for all "hazardous air toxics," using the Centers for Disease Control (CDC) exposure models, is about 230 cancer risks. When you add in the regulable risks for petroleum refineries from the Resource Conservation and Recovery Act and the Clean Water Act, that number rises by another 57 to less than 290. This means that the total risk from all such hazardous releases in Wyoming (using a straight population share) comes to about 0.5 cancers every 70 years. Casper's rough share comes to 0.04 cancer risks. Given Casper's tiny industrial density, that undoubtedly *overstates* the danger by at least one order of magnitude (tenfold).

In short, shutting down the Casper refinery, which will cost the Casper economy at least $10 million a year in direct and indirect costs, or bringing it up to compliance (for about the same annualized costs) will generate a cost per cancer risk averted of $2.5 billion, or about one-third more than the entire cancer research budget of the National Institutes of Health.

This is not unusual. The Clean Air Act, contrary to some fatuous claims by Environmental Protection Agency contractors (such as the American Lung Association) has a maximum regulatory risk pool of 1,028 cancers, using the EPA's "wild and crazy" risk models, or 231, using a more realistic, but still very conservative CDC risk model. With an estimated total cost of $40 billion a year, this would produce a cost per cancer risk avoided of $173 million, even if you assumed *total* effectiveness, which no one claims. Realistically, that figure is probably closer to $500 million each.

Costs like that can't really be tolerated even in a booming economy, let alone one that is plunging over a cliff. Yet, an analysis done in 1989 by Dr. Michael Gough, currently the top risk assessor at the congressional Office of Technology Assessment, shows the entire "regulable" risk pool in the EPA's 1989 "Unfinished Business" inventory is about 1,232 cancers.

That includes everything from pesticides on food (300) to all waste sites, hazardous and non-hazardous, active and inactive (516) to hazardous toxic air (231). Since the nation now has about 500,000 cancer deaths a year, even if we were somehow able to avert all of these risks, we would only cut the nation's cancer death rate—at the most—by about two-tenths of 1 percent.

No one knows the cost of such an undertaking, but if other laws are no more cost-effective than the 1990 Clean Air Act, the cost could be an additional $200 billion over and above the $115 billion we now spend, which in turn is 2.4 times as much as our competitors spend as a share of gross national product.

Now, with the risk models on dioxin, polychlorinated biphenyls (known as PCBs), polybrominated biphenyls (PBBs), and other substances listed among Clean Air toxic targets proving to be vastly overstated, those costs are likely to be even more ludicrously out of line with any economic or ecological realism.

Indeed, for the likely cost of the Clean Air Act and its 231 theoretical cancer risks, we could provide basic health insurance for all 35 million uninsured Americans or, in the short run, working capital for at least 1 million jobs, not to mention all the jobs we are losing in marginal plants like Amoco, Casper.

Since the adoption of the Draconian standards set by the South Coast Air Quality Management District, the state has hemorrhaged more than 3,000 businesses to other states, forcing South Coast Air Quality Management District to announce on Nov. 7 that it was easing its rules.

House Energy and Commerce Chairman John Dingell, Michigan Democrat, should give the U.S. economy a real "tax cut" and start the repeal or suspension of President Bush's disastrous 1990 Clean Air Act amendments.

Mr. SYMMS. I ask unanimous consent that an indepth study on the "Impact of Environmental Legislation on U.S. Economic Growth, Investment, and Capital Costs," by Dale W. Jorgenson and Peter Wilcoxen and their supportive bibliographies and references be printed in the RECORD.

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

IMPACT OF ENVIRONMENTAL LEGISLATION ON U.S. ECONOMIC GROWTH, INVESTMENT, AND CAPITAL COSTS

(By Dale W. Jorgenson and Peter J. Wilcoxen)

1. INTRODUCTION

The Clean Air Act Amendments of 1990 have inaugurated a new era in environmental legislation in the United States. This landmark legislation includes new regulations in the following five areas:

1. Nonattainment areas

Title I of the legislation extends deadlines and specifies control technologies for areas that have failed to comply with existing regulations on ozone, carbon monoxide, oxides of nitrogen, and particulates.

2. Mobile sources

Title II requires the reformulation of gasoline, mandates the introduction of special oxygenated fuels in certain areas, and changes emissions regulations.

3. Air toxics

Title III regulates the emission of toxic substances into the atmosphere. Most of these substances have not been subjected to previous environmental regulations.

4. Acid rain

Title IV provides market permits for the emission of sulfur dioxide and provides regulation of emissions of oxides of nitrogen.

5. Stratospheric ozone

Title IV implements the Montreal Protocol, an international agreement that provides for the elimination of CFC's (chlorofluoro-hydrocarbons).

Pollution control legislation began in earnest in the United States in 1965, when amendments to the Clean Air Act set national automobile emissions standards for the first time. The extent of regulation increased dramatically in 1970 with the passage of the National Environmental Policy Act and amendments to the Clean Air Act. In 1972 the Clean Water Act was passed and revisions to this Act and the Clean Air Act were adopted in 1977.[1] The consequence of this legislation was large and abrupt shift of economic resources toward pollution abatement.

The purpose of this paper is to quantify the impact of the Clean Air Act Amendments of 1990 and previous environmental legislation at the federal level on U.S. economic growth. We analyze the impact of environmental regulation by simulating the long term growth of the U.S. economy with and without regulation. For this purpose we have constructed a detailed model of the economy that includes the determinants of long run growth. Before considering the impact of specific pollution controls we present a brief overview of the model in Section 2. We focus on the impact of these controls on the cost of capital and the rate of capital and the rate of capital formation.

The possible responses of producers of new environmental regulations fall into three categories—substitution of less polluting inputs for more polluting ones, investment in pollution abatement devices to clean up wastes, and changes in production processes to reduce emissions. Switching toward cleaner inputs in the least disruptive of these responses, since it does not require a re-organization of the production process. A prime example is the substitution of low-sulfur coal for high-sulfur coal by electric utilities during the 1970's to comply with restrictions on sulfur dioxide emissions. Another important example is the shift from leaded to unleaded fuels for the purpose of cleaning up motor vehicle emissions.

The second response to emissions controls is the use of special devices to treat wastes after they have been generated. This is commonly known as end-of-pipe abatement and is frequently the method of choice for retrofitting existing facilities to meet newly imposed environmental standards. A typical example is the use of electrostatic precipitators to reduce emission of particulates from combustion. Regulations promulgated in the United States by the Environmental Protection Agency effectively encourage the use of this approach by setting standards for emissions on the basis of "best available technology".

Process changes involve redesigning production methods to reduce emissions. An example is the introduction of fluidized bed technology for combustion, which results in reduced emissions. Gollup and Roberts (1983) have constructed a detailed econometric model of electric utility firms, based on a cost function that incorporates the impact of environmental regulation on the cost of producing electricity and the rate of productivity growth. They conclude that annual productivity growth of electric utilities impacted by more restrictive emissions controls declined by .59 percentage points over the period 1974–1979. This is the result of switching technologies to meet new standards for sulfur dioxide emissions.

In section 3 we show that pollution abatement had emerged as a major claimant on the resources of the U.S. economy well before the Clean Air Act Amendments of 1990. The long run cost of environmental regulations enacted prior to 1990 was a reduction of

Footnotes at end of article.

2.59 percent in the level of the U.S. gross national product. This is more than ten percent of the share of total government purchases of goods and services in the national product during the period 1973–1985. Over this period the annual growth rate of the U.S. economy has been reduced by .191 percent. This is several times the reduction in growth estimated in previous studies.

Since the stringency of pollution control differs substantially among industries, we have also assessed the impact of environmental regulations on individual industries. We have analyzed the interactions among industries in order to quantify the full repercussions of these regulations. We find that pollution controls have had their most pronounced effects on chemicals, coal mining, motor vehicles, and primary processing industries—such as petroleum refining primary metals, and pulp and paper. For example, we find that the long run output of the automobile industry has been reduced by fifteen percent, mainly as a consequence of motor vehicle emission controls.

In section 4 we turn our attention to the economic impact of the Clean Air Act Amendments of 1990. Our analysis of the impact of earlier legislation incorporates detailed data from the Bureau of the Census on costs of compliance by businesses and households. To assess these costs for the 1990 Act we employ a preliminary set of estimates of costs for the year 2005 prepared by the Environmental Protection Agency (1991). The new legislation will be phased in gradually over fifteen years, so that these estimates reflect the costs of compliance after the new regulations are fully effective.

We estimate that the level of the U.S. gross national product will be reduced by an additional four-tenths of a percentage point by the year 2005 as a consequence of the burden on the economy imposed by the 1990 legislation. This burden will rise to almost half a percent of the national product by the year 2020, when the impact of the legislation on the growth of the U.S. economy will be complete. Although our estimates of impacts on individual industries are necessarily imprecise, it is already apparent that electric utilities and primary metals industries will be hard hit by the new legislation and that many other industries will bear a substantial additional burden as a consequence of the 1990 Act.

2. AN OVERVIEW OF THE MODEL

The purpose of our model of the U.S. economy is to analyze the impact of changes in environmental policy by simulating the long term growth of the economy with and without regulation. We begin by dividing the U.S. economy into business, household, government, and rest of the world sectors. Since environmental regulations differ substantially among industries, we sub-divide the business sector into the thirty-industries listed in Table 2.1. Each industry produces a primary product and many industries also produce one or more secondary products. Thirty-five commodity groups are represented in our model, each corresponding to the primary product of one of the industries listed in Table 2.1.

TABLE 2.1.—THE DEFINITIONS OF INDUSTRIES

Number	Description
1	Agriculture, forestry, and fisheries.
2	Metal mining.
3	Coal mining.
4	Crude petroleum and natural gas.
5	Nonmetallic mineral mining.
6	Construction.
7	Food and kindred products.

TABLE 2.1.—THE DEFINITIONS OF INDUSTRIES—Continued

Number	Description
8	Tobacco manufactures.
9	Textile mill products.
10	Apparel and other textile products.
11	Lumber and wood products.
12	Furniture and fixtures.
13	Paper and allied products.
14	Printing and publishing.
15	Chemicals and allied products.
16	Petroleum refining.
17	Rubber and plastic products.
18	Leather and leather products.
19	Stone, clay, and glass products.
20	Primary metals.
21	Fabricated metal products.
22	Machinery, except electrical.
23	Electrical machinery.
24	Motor vehicles.
25	Other transportation equipment.
26	Instruments.
27	Miscellaneous manufacturing.
28	Transportation and warehousing.
29	Communication.
30	Electric utilities.
31	Gas utilities.
32	Trade.
33	Finance, insurance, and real estate.
34	Other services.
35	Government enterprises.

The total supply of each commodity group is provided by domestic production and imports from the rest of the world. This supply is divided between intermediate and final demands. Intermediate demands are inputs of the commodity into all thirty-five industries. Final demands include expenditures by the household and government sectors for consumption, purchases by the business and household sectors for investment, and exports to the rest of the world. Each industry utilizes inputs of capital and labor services and these services are also allocated to final demands. Noncompeting imports, commodities that are not produced domestically, are allocated in the same way as capital and labor services.

To implement our model we have constructed a consistent time series of inter-industry transactions tables for the U.S. economy, covering the period 1947–1985 on an annual basis.[2] These tables provide detailed information on production by each of the thirty-five industries in current and constant prices. The quantities of each commodity, including primary factors of production and noncompeting imports, are allocated to intermediate and final demands in a "use" table. The quantities of all commodities made by each industry are given in a "make" table. The "use" and "make" tables are presented diagrammatically in Figures 2.1 and 2.2; Table 2.2 provides definitions of the variables that occur in both tables.

[Figures 2.1 and 2.2 not reproducible in the RECORD.]

TABLE 2.2—MAKE AND USE TABLE VARIABLES

Category and variable	Description
Industry-Commodity Flows:	
U	Commodities Used by Industries (use table).
M	Commodities Made by Industries (make table).
Final Demand Columns:	
C	Personal Consumption.
I	Gross Private Domestic Investment.
G	Government Spending.
X	Exports.
M	Imports.
Value Added Rows:	
N	Noncompeting Imports.
K	Capital.
L	Labor.
T	Net Taxes.
R	Rest of the World.
Commodity and Industry Output:	
O	Commodity Output.
D	Industry Output.
Other Variables:	
B	Value Added Sold Directly to Final Demand.
V	Total Value Added.
F	Total Final Demand.

2.1. Producer behavior

The first problem in modeling producer behavior is to represent substitution among inputs. For this purpose we have constructed econometric models of demands for all inputs by each industry. We have identified inputs of capital and energy separately, since environmental regulations often require the use of specific types of equipment or restrict the combustion of certain types of fuels. For example, a restriction in sulfur dioxide emissions may require the substitution of low-sulfur for high-sulfur fuel. Similarly, regulations on particulate emissions may necessitate the use of an electrostatic precipitator, which requires additional capital inputs.

The econometric approach to modeling producer behavior is very demanding in terms of data requirements.[3] An alternative approach is to characterize substitution among inputs by calibration from a single data point. The ratio of the input of each commodity to the output of an industry is calculated from a single "use" table, like the one presented in Figure 2.1. Often, the possibility of substitution among intermediate goods, such as energy and materials, is ruled out by assumption.

A high degree of substitutability among inputs implies that the cost of environmental regulation is low, while a low degree of substitutability implies high costs of environmental regulations. Although a calibration approach avoids the burden of estimation, it also specifies the nature of substitutability among inputs by assumption rather than relying on empirical evidence. This defeats the main purpose of modeling the impact of environmental policy. We conclude that empirical evidence on substitutability among inputs is essential in analyzing the impact of environmental regulations.

The most important mechanisms for control of environmental pollution are to induce substitution away from polluting inputs and require pollution abatement. These measures can affect the rate of productivity growth in an industry. If the level of productivity in an industry increases, the price of the output of the industry will fall relative to the prices of its inputs, while a decrease in the industry's productivity level will result in a rise in the price of its output relative to its input prices. Our models of producer behavior endogenize productivity growth by representing the rate of productivity growth in each industry as a function of the prices of all its inputs.[4]

Our econometric models of producer behavior allocate the value of the output of each industry among the inputs of the thirty-five commodity groups, capital services, labor services, and noncompeting imports. Inputs of the thirty-five commodities into each industry are given in the columns denoted U in the "use" table presented in Figure 2.1. Inputs of capital and labor services and noncompeting imports into all industries are given in the rows denoted K, L and N in the "use" table. The remaining rows of this table give indirect taxes paid by all industries and inputs of factor services from the rest of the world into these industries.

The sum of all entries in each column of the "use" table is the value of the output of the corresponding industry. This output includes a primary product and, possibly, one or more secondary products. We model the shares of all industries that produce a given commodity in the value of the total domestic production of that commodity as functions of the output prices of these industries. We use these value shares to allocate the do-

mestic supply of each commodity among the industries that produce it. This allocation is given in the columns of the "make" table in Figure 2.2. Similarly, we model the value shares of imports and domestic production of each commodity and employ these shares in generating the imports of each commodity in the column denoted M in the "use" table, Figure 2.1.[5]

In our model of the U.S. economy there is a single stock of capital that is allocated among all sectors, including the household sector. The supply of capital available in each period is the result of past investment. This relationship is represented in an accumulation equation that gives capital at the end of each period as a function of investment during the period and capital at the beginning of the period. This equation is backward-looking and captures the impact of investments in all past periods on the capital available in the current period. We assume that capital is perfectly malleable and mobile among sectors, so that the price of capital services in each sector is proportional to a single capital service price for the economy as a whole. The value of capital services is equal to capital income.

Our model of producer behavior includes an equation giving the price of capital services in terms of the price of investment goods at the beginning and end of each period, the rate of return to capital for the economy as a whole, the rate of depreciation, and variables describing the tax structure for income from capital. The current price of investment goods incorporates expectations about all future prices of capital services and all future discount rates.[6] Our model of the U.S. economy includes this forward-looking relationship for the price of investment goods in each time period. The price of capital services determined by the model enters into the price of investment goods through the assumption of perfect foresight or rational expectations. Under this assumption the price of investment goods in every period is based on expectations of future capital service prices and discount rates that are fulfilled by the solution of the model.

The final demands for commodity groups in our model include purchases by the business and household sectors for investment purposes. The final set of behavioral equations in our model of producer behavior is a system of demand functions for investment goods. We model the value shares all commodities accumulated by the business and household sectors—including producers' and consumers' durable, residential and nonresidential structures, and inventions—as functions of the prices of these commodities. The shares are used to allocate the value of investment goods among commodity groups, as in the column denoted I in the "use" table, Figure 2.1.

2.2. Consumer behavior

An important objective of environmental regulation is to induce the substitution of nonpolluting products for polluting ones. This substitution can take place within the household sector as well as the business sector. For example, regulations on exhaust emissions of motor vehicles affect household demands for vehicles and motor fuel. The first problem in modeling consumer behavior is to represent substitution among commodities that are purchased by households. For this purpose we have constructed an econometric model of demands for individual commodities by the household sector. As in our models of producer behavior, we identify purchases of energy and capital services separately, since these commodity groups are directly affected by environmental regulation.[7]

Our model of consumer behavior allocates personal consumption expenditures among the thirty-five commodity groups included in our model of the U.S. economy, capital and labor services, and noncompeting imports. The allocation to individual commodities is given in the column denoted C in the "use" table, Figure 2.1. Our model of personal consumption expenditures can be used to represent the behavior of individual households, as in the studies of regulatory policy by Jorgenson and Slesnick (1985). Here we employ the model to represent aggregate consumer behavior in simulations of the U.S. economy under alternative policies for environmental regulation. For this purpose we imbed this model of personal consumption expenditures into a higher-level model that determines consumer choices between labor and leisure and between consumption and saving.

The second stage of our model of the household sector is based on the concept of full consumption, which is composed of goods and services and leisure time. We simplify the representation of household preferences between goods and leisure by introducing the notion of a representative consumer. In each time period the representative consumer allocates the value of full consumption between personal consumption expenditures and leisure time.[8] This produces an allocation of the exogenously given time endowment between leisure time and the labor market. Labor market time is allocated among the thirty-five industries represented in the model and final demands for personal consumption expenditures and government consumption. We assume that labor is perfectly mobile among sectors, so that the price of labor services in each is proportional to a single wage rate for the economy as a whole. The value of time allocated to the labor market is equal to labor income.

The third and final stage of our model of the household sector is a model of intertemporal consumer behavior. We describe intertemporal preferences by means of a utility function for a representative consumer that depends on levels of full consumption in current and future time periods. The representative consumer maximizes this utility function, subject to an intertemporal budget constraint. The budget constraint gives full wealth as the discounted value of current and future full consumption. The necessary conditions for a maximum of the utility function, subject to the budget constraint, can be expressed in the form of an Euler equation, giving the rate of growth of full consumption as a function of the discount rate and the rate of growth of the price of full consumption.[9]

The Euler equation for full consumption is forward-looking, so that the current level of full consumption incorporates expectations about future prices of full consumption and future discount rates. The solution of our model includes this forward-looking relationship for full consumption in each time period. The price of full consumption determined by the model enters full consumption through the assumption of perfect foresight or rational expectations. Under this assumption full consumption in every period is based on expectations about future prices of full consumption and discount rates that are fulfilled by the solution of the model.

2.3. Solution of the model

We conclude this overview by outlining the solution of our model of the U.S. economy. An intertemporal sub-model incorporates backward-looking and forward-looking equations that determine time paths of capital stock and full consumption. Given the values of these variables, an intratemporal sub-model determines prices that balance demand and supply in each time period for the thirty-five commodity groups included in the model, capital services, and labor services. These two sub-models must be solved simultaneously to obtain a complete solution of the model.

The dynamics of adjustment of changes in environmental policy are determined by the intertemporal features our model of the U.S. economy. For example, investment in equipment for pollution abatement has been a very substantial proportion of investment in producers' durable equipment during parts of our sample period, 1947–1985. This mandated investment has increased the price of investment goods, requiring adjustments of capital service prices and discount rates over the whole future time path of the economy. Reductions in investment for capital accumulation have reduced the capital available for production in subsequent time periods.

To construct a solution to our model of the U.S. economy we first require values of all the exogenous variables. These variables are set equal to their historical values for the sample period, 1947–1985. We project all the exogenous variables for the post-sample period, 1986–2050, and take these variables to be constant at their 2050 values through the year 2100. The exogenous variables are held constant over the period 2050–2100 to allow sufficient time for the endogenous variables determined by the model to converge to their steady state values.

The most important exogenous variables in our model of the U.S. economy are those associated with the U.S. population and the corresponding time endowment. We project population by individual year of age, individual year of educational attainment, and sex to the year 2050, using demographic assumptions that result in a maximum population in that year.[10] In projecting future levels of educational attainment we assume that future demographic cohorts will have the same level of attainment as the cohort reaching age 35 in the year 1985. We transform our population projection into a projection of the time endowment used in our model of the labor market by assuming that the relative wages are constant at 1985 levels.

The size of the economy corresponding to the steady state of our model is effectively determined by the time endowment. Capital stock adjusts to this time endowment, while the rate of return depends only on the intertemporal preferences of the household sector. In this sense the supply of capital is perfectly elastic in the long run. It is useful to contrast the behavior of our model with that of a neo-classical growth model of the Cass-Koopmans type.[11] For example, the rate of return in the stationary solution of our model is independent of environmental policy, just as in a one-sector neo-classical growth model. However, different policies result in different levels of capital intensity—all corresponding to the same rate of return. This is impossible in a one-sector model.

[8] The price of leisure time is equal to the market wage rate, reduced by the marginal tax rate on labor income, which is the opportunity cost of foregone labor income. The price of personal consumption expenditures is a cost of living index, generated from the first stage of our model of consumer behavior. This cost of living index is discussed by Jorgenson and Slesnick (1983).

[9] The Euler equation approach to modeling intertemporal consumer behavior was originated by Hall (1978). Our application of this approach to full consumption follows Jorgenson and Yun (1986).

In the short run the supply of capital in our model of the U.S. economy is perfectly inelastic, since it is completely determined by past investment. Under our assumption of perfect mobility of capital and labor, changes in environmental policy can affect the distribution of capital and labor supplies among sectors, even in the short run. The transition path for the economy depends on environmental policy. It also depends on the time path of variables that are exogenous to the model. If the initial wealth of the economy is low relative to the time endowment, the rate of return will exceed the stationary rate of return. This will induce the representative consumer to postpone consumption of goods and leisure into the future, so that the rate of capital accumulation will be positive. Conversely, if the initial wealth of the economy is sufficiently high relative to the time endowment, the rate of capital accumulation will be negative.

3. THE IMPACT OF ENVIRONMENTAL LEGISLATION ENACTED BEFORE 1990

Our next objective is to assess the impact of environmental regulation by projecting the growth of the U.S. economy with and without regulation. The base case for our simulations is a regime with pollution controls embodied in legislation enacted before 1990 in effect. To determine the impact of these environmental restrictions on economic activity, we simulate U.S. economic growth in the absence of regulation. We perform separate simulations to assess the impact of pollution control in industry and controls on motor vehicle emissions, which also affect the consumption behavior of households. We then estimate the overall impact of environmental regulation by eliminating both types of pollution control.

Simulations of the U.S. economy in which pollution controls are removed differ from the base case in the steady state, the initial equilibrium, and the transition path between the two. Since capital stock is endogenous in our model, the new steady state corresponds to the long run impact of environmental regulation on the U.S. economy. The initial equilibrium with capital stock fixed gives the short run impact of a change in environmental policy. Since agents in the model are endowed with perfect foresight, this initial equilibrium reflects changes along the entire time path of future regulatory policy. Finally, the transition path between the initial equilibrium and the steady state traces out the dynamics of the adjustment of the economy to a new policy for environmental regulation.

In presenting the results of our simulations of U.S. economic growth we begin by quantifying the impact of pollution controls on production costs. We then incorporate the changes in costs into our model of the U.S. economy. We first consider the impact of environmental regulations on the steady state of the economy. For this purpose we focus attention on a few key variables. Capital stock determines the production capacity of the economy, since the time endowment is given exogenously. Full consumption is a measure of the goods and services and leisure time available to the household sector. The level of the gross national product is an overall measure of the output of the economy, including private and public consumption, investment, and net exports to the rest of the world. Finally, the exchange rate is an indicator of the international competitiveness of the U.S. economy.

The second step in our analysis of the impact of environmental regulation is to analyze the transition path of the U.S. economy from the initial equilibrium to the new steady state. We describe the time path of capital stock as the most important indicator of the process of economic adjustment to a change in environmental policy. The price of investment goods is an important determinant of the time path of capital stock, since it incorporates expectations about future prices of capital services and discount rates. The rental price of capital services also reflects the rate of return, which is critical to the allocation of the national income between consumption and savings. We employ the time paths of capital stock, the price of investment goods, the price of capital services, and the level of GNP in describing the adjustment process.

3.1. Operating costs

We have used data collected by the Bureau of the Census (various annual issues) to estimate investment in pollution abatement equipment and operating costs of pollution control activities for manufacturing industries.[12] The investment data give capital expenditures on pollution abatement equipment in current prices, while data on operating costs give current outlays attributable to pollution control. These are the actual costs reported by the business sector and do not include taxes levied as part of the Superfund program. Taxes amounting to more than a billion dollars a year were placed on the petroleum refining and chemicals industries in 1981 and the primary metals industry in 1986. These may have had a substantial impact on U.S. economic growth, but we do not examine their consequences in this paper.

[Figure 3.1 not reproducible in the RECORD.]

Figure 3.1 summarizes the share of pollution abatement in industry costs, the share of individual industries in total abatement costs, and the share of abatement devices in industry investment for the manufacturing industries. Inspection of the first panel shows that pollution control expenses form only a small part of total costs for individual industries. The largest share is for the primary metals industry at slightly more than two percent. Second, the expenses for pollution abatement are concentrated in a relatively small number of industries. Three sectors—chemicals, petroleum refining, and primary metals—account for fifty-five percent of total spending. Third, investment in pollution abatement equipment consumes more than twenty percent of total investment for paper and pulp, petroleum refining, and primary metals industries.

Our first step in eliminating the operating costs of pollution control is to estimate the share of pollution abatement in the total costs of each industry. The 1983 cost shares are a maximum for the period, 1973–1983, since pollution controls have increased steadily over the period. We assume that shares for later years are constant at the 1983 values. Data for industries outside manufacturing were available only for electric utilities and wastewater treatment, which is part of the services industry. For both industries, data on operating costs and investment expenditures for pollution abatement have been compiled by the Bureau of Economic Analysis. We have estimated the proportion of operating costs devoted to pollution abatement for these industries.[13]

Additional information on the impact of environmental regulation on costs is available for electric utilities, namely, the extra costs of burning low-sulfur fuels. Switching from high-sulfur to low-sulfur coal changes the relative proportions of the two products in the output of the coal industry. Since low-sulfur coal is more expensive, this increases the price of coal. Eliminating regulations on sulfur emissions would lower the price of coal by permitting substitution toward high-sulfur grades. We model the impact of lifting these emissions controls by subtracting the differential between high cost and low cost coal from the costs of coal production.[14] Including the coal industry, a total of twenty industries is subject to pollution abatement regulations.

The long run impact of eliminating the operating costs of pollution abatement is summarized in the column labeled ENV in Table 3.1. The output of the economy, as measured by the real gross national product, is raised by .728 percent.

TABLE 3.2.—THE EFFECTS OF REMOVING ENVIRONMENTAL REGULATION

Variable	Percentage change in steady state			
	ENV	INV	MV	ALL
Capital stock	0.544	2.266	1.118	3.792
Price of investment goods	−.897	−2.652	−1.323	−4.520
Full consumption	.278	.489	.282	.975
Real GNP	.728	1.290	.752	2.592
Rental price of capital	−.907	−2.730	−1.358	−4.635
Exchange rate	−.703	−.462	−.392	−1.298

The capital stock rises by .544 percent. Since our model of the U.S. economy has a perfectly elastic supply of savings in the long run, the rate of return is unaffected by regulation. However, the price of investment goods, which also reflects capital service prices, falls by .897 percent. The price of capital services declines by .907 percent, almost the same as the price of investment goods. The resulting decrease in the prices of goods and services produces a rise in full consumption of .278 percent. This increase is less than that of the national product, since full consumption includes leisure time as well as personal consumption expenditures. Finally, the exchange rate, which gives the domestic cost of foreign goods, falls slightly, indicating an increase in the international competitiveness of the U.S. economy.[15]

The long run effects of eliminating operating costs associated with pollution abatement on the prices and outputs of individual industries are shown in Figure 3.2.

[Figure 3.2 not reproducible in the RECORD.]

The bars in the first panel indicate the percentage change in the steady output price of the corresponding industry. The bars in the second panel give percentage changes in industry output levels. Not surprisingly, the principal beneficiaries of the elimination of operating costs are the most heavily regulated industries. The greatest expansion of output occurs in coal production, since the fuel cost differential between low-sulfur and high-sulfur coal is large relative to the total costs of the coal industry. Turning to manufacturing industries, the primary metals, paper, and chemicals industries have the largest gains in output from the elimination of operating costs for pollution abatement. Several other sectors benefit from the removal of operating costs of pollution abatement, but the impact is fairly modest.

We have now summarized the long run impact of eliminating operating costs associated with pollution controls in industry. In Figure 3.3 we analyze the dynamics of the process of adjustment to lower costs.

[Figure 3.3 not reproducible in the RECORD.]

After 1973 the price of investment goods falls slowly, reflecting the gradual price decline brought about by the elimination of op-

erating costs associated with increasingly stringent regulations. Lower costs of investment goods tend to increase the rate of return, stimulate savings, and produce more rapid capital accumulation. Additional capital eventually brings down the rental price of capital, lowering costs still further. Finally, the quantity of full consumption rises rapidly to the new steady state level and remains there.

The transition from the short run to the steady state is relatively slow, requiring almost three decades for capital stock and the price of capital services to adjust fully to the change in environmental policy. The graph of capital stock shows that the process of adjustment is not complete until the year 2000. This reflects the nature of our simulation experiment. The regulations are imposed gradually, so that their removal is also gradual. On the other hand, full consumption attains its final value more quickly as a consequence of intertemporal optimization by households under perfect foresight. Since income is permanently higher in the future, consumption rises in anticipation. However, the rise of consumption is dampened by an increase in the rate of return that produces greater investment.

3.2. Investment in pollution control equipment

The most important impact of environmental regulation for some industries is the imposition of requirements for investment in costly new equipment for pollution abatement. Investment in pollution control devices crowds out investment for capital accumulation, further reducing the rate of economic growth. Our second simulation of U.S. economic growth is designed to assess the impact of investment for pollution control. An examination of the data on investment presented in Figure 3.1 reveals several striking features. First, the paper, petroleum refining, and primary metals industries each spent more than twenty percent of their total investment on pollution control devices in 1975. Some other sectors were not far behind and the overall share of this investment in total gross private domestic investment was substantial.

The share of investment for pollution abatement rose to a peak in the early 1970's and then declined substantially. This can be attributed to the fact that much of the early effort at pollution control was directed at reducing emissions from existing sources by retrofitting equipment already in place. The appropriate method for modeling mandatory investment in pollution control requires a distinction between achieving environmental standards for existing sources of emissions and meeting restrictions on new sources of emissions. Environmental regulations increase the cost of new investments, since producers are required to purchase pollution abatement equipment whenever they acquire new investment goods.

We assume that investment in pollution control equipment provides no benefits to the producer other than satisfying environmental regulations. Accordingly, we simulate mandated investment as an increase in the price of investment goods. Unfortunately, the existing data do not provide a separation between investments required for new and existing facilities. We assume that the backlog of investment for retrofitting old sources of emissions had been eliminated by 1983. We simulate the impact of removing environmental regulations on investment by reducing the price of investment goods by the proportion of total investment attributable to pollution control for 1983. This captures the effect of requirements for pollution abatement on investment in new capital goods, but does not include the effect of windfall losses to owners of the capital associated with old sources of emissions.

Our method for simulating the impact of investment requirements for pollution control has certain limitations that should be pointed out. First, it relies on the assumption that capital is completely malleable and mobile between sectors. An alternative approach would be to incorporate costs of adjustment into our models of producer behavior. However, this approach would lead to considerable additional complexity in modeling and simulating producer behavior. The long run impact of environmental regulations would be unaffected by costs of adjustment, since these costs would be zero in the steady state of our model.

The steady state effects of mandated investment in pollution control devices are given in the column labeled INV in Table 3.1. The largest change is in the capital stock, which rises by 2.266 percent as a direct result of the drop in the price of investment goods. In the short run this price decline pushes up the rate of return, raising the level of investment. Higher capital accumulation leads to a fall in the rental price of capital services, decreasing the overall price level. The long run level of full consumption rises by .489 percent, almost double the increase resulting from eliminating operating costs of pollution abatement. The 1.290 percent rise in GNP is also nearly twice as large. The exchange rate appreciates by .462 percent, indicating an increase in international competitiveness of the U.S. economy.

The effects of eliminating pollution abatement investment on industry output and price levels are shown in Figure 3.4.

[Figure 3.4 not reproducible in the RECORD.]

These effects stem from the drop in the rental price of capital services. The largest gains in output are for communications, electric utilities, and gas utilities, since these are the most capital intensive industries. While most sectors gain from eliminating investment for pollution control, a few sectors are hurt by this change in environmental policy. Outputs of food, apparel, rubber and plastic, and leather all decline noticeably. These sectors are among the least capital intensive, so that the fall in the rental price of capital services has little effect on the prices of outputs. Buyers of the commodities produced by these industries face higher prices and substitute other commodities in both intermediate and final demand.

The transition path of the U.S. economy after investment requirements for pollution control have been eliminated is summarized in Figure 3.5.

[Figure 3.5 not reproducible in the RECORD.]

The process of adjustment is markedly different from that of the previous simulation. Capital stock grows immediately and rapidly to its new equilibrium value. This comes about as a consequence of the fall in the price of investment goods. As new capital goods become cheaper, beginning in 1973, the rate of return rises, driving up investment and producing a sharp increase in the capital stock. This explanation is further substantiated by the behavior of full consumption. Initially, consumption drops and a larger share of income is diverted to investment. Then, as the capital stock rises, so does consumption. The path of the rental price reflects the behavior of the capital stock and drives output prices downward as more capital is accumulated.

3.3. Motor vehicle emissions control

Environmental regulation is not limited to controlling emissions by industries within the business sector. Regulations on motor vehicle emissions affect users of motor vehicles, including households as well as businesses. Motor vehicle regulation is set apart from other forms of environmental control by the fact that the pollution abatement equipment is installed by the manufacturer. Like pollution control in industry, the reduction of motor vehicle exhaust emissions adds to both capital expenditures and operating costs. The catalytic converter is a typical piece of pollution abatement equipment requiring capital expenditures. The premium paid for unleaded gasoline represents an increase in operating costs.

Using data obtained from Kappler and Rutledge (1985), we have estimated the change in motor vehicle prices resulting from emission control regulations. Pollution abatement also imposes additional operating costs on users of motor vehicles. Kappler and Rutledge have separated these additional expenses into three components—increased fuel consumption, increased fuel prices, and increased motor vehicle maintenance. We first divide the total cost of pollution abatement equipment between imported and domestic vehicles in proportion to their shares in total supply. We exclude the cost of this equipment from the total cost of domestic production of motor vehicles. We reduce the price of motor vehicles in proportion to the cost of pollution control devices to simulate the impact of eliminating controls on motor vehicle emissions.

The price premium for unleaded motor fuels can be modeled as a change in the cost of output of the petroleum refining sector. This is similar to the treatment of the fuel cost differential between high-sulfur and low-sulfur coal used in our simulations of the impact of pollution abatement in industry. Only the costs associated with higher fuel prices were removed in our simulation of U.S. economic growth without motor vehicle emissions controls. Consequently, our results understate the impact of these controls. To complete the inputs to our simulation of U.S. economic growth in the absence of controls on motor vehicles emissions we reduce the price of imported motor vehicles in the same proportion as the price of domestic vehicles.

The economic impact of imposing emissions controls on motor vehicles is similar in magnitude to the impact of pollution controls in industry. The long run capital stock rises by 1.118 percent after the elimination of controls on emissions, while full consumption increases by .282 percent. Real GNP increases by .752 percent in the absence of controls. Finally, the exchange rate appreciates by .392 percent. These results are summarized in the column labeled MV in Table 3.1. Almost all of the economic impact is due to decreased motor vehicle prices as a consequence of the absence of emissions controls. Changes in the price of investment goods raise the rate of return, leading to large changes in the capital stock. The price of investment goods changes substantially, since motor vehicles make up nearly fifteen percent of new capital goods.

The long run impact of eliminating motor vehicle emissions controls on the outputs and prices of individual industries is shown in Figure 3.6.

[Figure 3.6 not reproducible in the RECORD.]

The principal beneficiary of the elimination of these regulations is the motor ve-

hicles industry. This is partly due to the fact that the demand for motor vehicles is price elastic. A price change of seven percent produces an output change of fourteen percent. Two other industries also benefit significantly from elimination of environmental controls—petroleum refining and electric utilities. Both gain from the reduction in fuel prices associated with elimination of the fuel price premium.

The process of adjustment to a change in controls on motor vehicle emissions is shown for key variables of the model in Figure 3.7.

[Figure 3.7 not reproducible in the RECORD.]

The important features of this path are similar to those for the removal of pollution abatement investment in industry. Vehicles are a large part of investment, so that lowering their price brings down the cost of new capital goods substantially. This increases the rate of return, stimulates saving, and leads to a surge in investment. Since the change in vehicle prices is largest in later years, however, the effect is more gradual and the capital stock does not climb as rapidly.

3.4. The impact of environmental regulation

To measure the total impact of eliminating all three costs of environmental regulation—operating costs resulting from pollution abatement in industry, costs of investments required by industry to meet environmental standards, and costs of emissions controls on motor vehicles—we have performed a final simulation. This simulation is not a simple combination of its three components. Operating costs include capital costs, so that combining the reductions in operating costs with the elimination of investment requirements would count the cost reductions associated with capital twice. To solve this problem, the capital component was removed from operating costs in the combined simulation. The results of removing all forms of environmental regulation are summarized in Table 3.1, together with the results of the previous simulations.

The long run consequences of pollution control for different industries are presented in Figure 3.8.

[Figure 3.8 not reproducible in the RECORD].

The sectors hit hardest by environmental regulations are the motor vehicles and coal mining industries. Primary metals and petroleum refining follow close behind. About half the remaining industries have increases in output of one to five percent after pollution controls are removed. The rest are largely unaffected by environmental regulations. The economy follows the transition path to the new steady state shown in Figure 3.9.

[Figure 3.9 not reproducible in the RECORD].

Driven by large changes in the price of investment goods, the capital stock rises sharply. The quantity of full consumption rises at a similar rate, as does real GNP. The adjustment process is dominated by the rapid accumulation of capital and is largely completed within two decades.

3.5. Summary

We can summarize the impact of environmental regulation by analyzing the effects on the growth of GNP over the period 1973–1985. These effects are given in Table 3.2. Mandated investment in pollution control equipment has the largest impact, while motor vehicle emissions control is not far behind. The added operating costs due to pollution abatement play a minor role in the growth slowdown. The three types of environmental regulation together are responsible for a drop in GNP growth of .191 percentage points.

A number of studies have attempted to measure the effect of pollution control on productivity and economic growth.[16] For example, Denison (1985) finds that the growth rate of the U.S. economy was reduced by only .07 percentage points over the period 1973–1982 due to pollution controls. This estimate is based on an aggregate production function and does not take in account the important differences in environmental restrictions among industries. In addition, Denison does not model the dynamic response of the U.S. economy to pollution controls. Our model incorporates differences among industries in pollution abatement and captures the effect of environmental costs on the rate of capital formation. Accordingly, our estimate of the impact of environmental regulation on U.S. economic growth is several times that of Denison.

We can also summarize the impact of higher operating costs associated with environmental regulation on economic growth, using the results given in Table 3.2. U.S. economic growth would have been .034 percentage points higher during the period 1973–1985 in the absence of the operating costs resulting from environmental regulation. These operating costs had a small but significant effect on long run output and the rate of growth of the economy in the 1970's and early 1980's. In addition, these costs affect the distribution of economic activity with industries such as primary metals experiencing a considerable drop in output. However, operating costs arising from pollution abatement are not the only effects of environmental regulation.

Summary of the effects on growth over 1974–85

Simulation:	*Change in growth rate*
Operating costs	0.034
Investment	.074
Old source investment	.026
Motor vehicles	.051
All effects	.191

The impact of pollution abatement investment on the rate of GNP growth during the period 1973–1985 is also given in Table 3.2. The growth of GNP would have been .074 percentage points higher in the absence of mandated investment in pollution control. Slower productivity growth contributed .015 percentage points to this total, while the rest results from slower growth of the primary factors of production. Mandated investment in pollution control has two effects. First, it lowers the long run capital stock and reduces long run consumption. Second, it reduces the rate of capital accumulation in the early years of regulation. This reduces the rate of growth of GNP. The impact of eliminating mandated investment in pollution abatement devices is substantially larger than that of eliminating operating costs.

The dampening effect of investment for pollution control on capital accumulation is exacerbated by the investment required to bring existing sources of emissions into compliance with environmental standards. We have taken the share of investment attributable to new investment goods as the 1983 share. The difference between the actual shares in earlier years and the 1983 share gives the proportion devoted to existing sources of emissions. The data presented in Figure 3.4 above show that this expenditure reached as much as three percent of total investment during the mid-1970's.

We have modified our simulation of U.S. economic growth to assess the importance of mandated investment in pollution abatement equipment for existing sources of emissions. For this purpose we have increased the level of investment expenditures from 1973 to 1983 by the share attributable to pollution abatement for existing sources. This raises the rate of capital accumulation in the mid-1970's, but there is no long run effect on economic growth. Eliminating investment in pollution control devices for both new and existing sources raises the average rate of growth during the period 1973–1985 by .100 percentage points. We have estimated an increase in the growth rate of .074 percentage points for the investment required for new sources alone, so that we can attribute an increase of .026 points to the investment required to bring existing sources into compliance.

Finally, the rate of growth of the U.S. national product over the period 1973–1985 would have been .051 percentage points higher in the absence of motor vehicle emissions controls. This is a surprisingly large effect. It is nearly twice as large as the gain from eliminating mandatory investments for bringing existing sources of emissions into compliance with environmental standards and about half as large as removing all operating costs and all investment requirements for pollution control in industry.

4. THE IMPACT OF THE CLEAN AIR ACT AMENDMENTS OF 1990

Our final objective is to analyze the impact of the Clean Air Act Amendments of 1990. For this purpose we proceed, as in Section 3, by projecting the growth of the U.S. economy with and without the 1990 legislation. The base case is the same as the one we have employed in Section 3. In this base case all pollution controls resulting from legislation enacted before 1990 are in effect. We project the growth of the U.S. economy without the 1990 legislation. We then incorporate estimates of the costs of compliance with this legislation into our projections. Finally, we compare growth of the U.S. economy with and without the 1990 legislation.

To quantify the impact of the Clean Air Act Amendments of 1990 on U.S. economic growth, we begin with estimates of the cost of compliance with this legislation in the year 2005 prepared by the Environmental Protection Agency (1991). We employ the year 2005 as a point of reference, since the provisions of the 1990 legislation will be phased in gradually over a fifteen year period. By the end of this period in 2005 the pollution controls embodied in the 1990 legislation are fully effective. The overall costs of compliance for the year 2005 is $24 billions in prices of 1990.

We have already pointed out that the provisions of the Clean Air Act Amendments of 1990 are divided among eleven separate "titles" of the Act. The Environmental Protection Agency (1991) has prepared separate estimates of costs of compliance for five separate programs. About half the costs in the year 2005, $12.2 billions in prices of 1990, are associated with Title I, which extends deadlines and specifies control technologies for areas which have failed to comply with existing regulations on emissions of ozone, carbon monoxide, oxides of nitrogen, and particulates. Since we do not have information on the distribution of these costs by industry, we have allocated them to the manufacturing industries in proportion to costs of compliance in the latest year for which data are available, which is 1988.

Of the remaining titles of the 1990 legislation, Title IV deals with acid rain. We have allocated the estimated costs for the year

2005, $3.6 billions in prices of 1990, to electric utilities. Title V provides for marketable permits for emissions of sulfur dioxide and regulates emissions of oxides of nitrogen. Title III regulates emissions of toxic substances into the atomsphere. Title VIII provides for miscellaneous additional regulations. The corresponding costs are $0.2 billions, $7.9 billions, and $0.1 billions, respectively, all in prices of 1990. We have allocated these costs to manufacturing industries in proportion to their total costs of compliance in 1988.

We have estimated the ratio of costs of compliance for the year 2005 for each industry to the value of the output of that industry in our base case. We have simulated U.S. economic growth with industry costs that include these costs of compliance. To reflect the fact that costs of compliance will increase gradually as the new regulations are implemented, we increase the costs of compliance linearly, beginning with a value of zero in 1990 and rising to the 2005 levels. Obviously the allocation of costs of compliance among programs included in the 1990 legislation, the distribution of these costs among industries, and the time phasing of the introduction of the new pollution controls can be further refined.

We have simulated the growth of the U.S. economy with and without the costs of compliance associated with the Clean Air Act Amendments of 1990. We present the impact of this legislation on individual industries in the year 2005 in Figure 4.1. The sectors most affected by the new pollution controls are electric utilities and primary metals. The output of electric utilities is reduced by three percent, while that of primary metals is reduced by 3.5 percent. To provide estimates of a long run impact, like those presented for earlier legislation in Section 3, we provide industry impacts in the year 2020 in Figure 4.2. Again, primary metals and electric utilities stand out as the industries most heavily affected by the 1990 legislation.

[Figures 4.1, 4.2, and 4.3 not reproducible in the RECORD.]

The U.S. economy follows the transition path presented in Figure 4.3 in adjusting to a new steady state. The initial impact of the legislation on the gross national product is positive, since there is a short run surge of investment to take advantage of lower prices of investment goods before the full impact of the legislation works its way through the economy. This surge in investment is over by the year 2000. The capital stock gradually falls as new pollution controls take hold, raising the price of capital goods. The rental price or cost of capital rises, reaching a level about 0.6 percent higher than the base case by the year 2020. The adjustment process reflects the forward-looking character of expectations about future prices of assets and future rates of return.

We find that the Clean Air Act Amendments will impose substantial costs on U.S. industries over the period 1990-2005, as the new pollution controls are implemented. These costs repesent a net addition of about one-fifth to costs of compliance associated with previous legislation. The U.S. economy adapts itself to these costs of compliance through an upward adjustment in the prices of capital goods. This increases the rental price or cost of capital and reduces the level of the capital stock. This generates a reduced rate of capital formation.

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FOOTNOTES

[1] A detailed survey of U.S. environmental policy is presented by Christiansen and Tietenberg (1985).

[2] Data on inter-industry transactions are based on input-output tables for the U.S. constructed by the Bureau of Economic Analysis (1984). Income data are from the U.S. national income and product accounts, also developed by the Bureau of Economic Analysis (1986). The data on capital and labor services are based on those of Jorgenson, Gollop, and Fraumeni (1987). Our data are organized in an accounting system based on the United Nations (1968) system of national accounts. Details are given by Wilcoxen (1988), Appendix C.

[3] The econometric approach is reviewed by Jorgenson (1982, 1984). This approach has also been employed by Hazilla and Kopp (1990).

[4] Our approach to endogenous productivity growth was originated by Jorgenson and Fraumeni (1981). The implementation of a general equilibrium model of production that incorporates both substitution among inputs and endogenous productivity growth is discussed by Jorgenson (1984, 1986). This model has been analyzed in detail by Hogan and Jorgenson (1991).

[5] This approach was originated by Armington (1969).

[6] Forther details are given by Jorgenson (1989).

[7] The econometric methodology employed in our study was originated by Jorgenson, Lau, and Stoker (1982). The econometric model we have employed was constructed by Jorgenson and Slesnick (1987). Further details on the econometric methodology are given by Jorgenson (1984, 1990).

[8] The price of leisure time is equal to the market wage rate, reduced by the marginal tax rate on labor income, which is the opportunity cost of foregone labor income. The price of personal consumption expenditures is a cost of living index, generated from the first stage of our model of consumer behavior. This cost of living index is discussed by Jorgenson and Slesnick (1983).

[9] The Euler equation approach to modeling intertemporal consumer behavior was originated by Hall (1978). Our application of this approach to full consumption follows Jorgenson and Yun (1986).

[10] Our breakdown of the U.S. population by age, educational attainment, and sex is based on the system of demographic accounts complied by Jorgenson and Fraumeni (1989). The population projections are discussed in detail by Wilcoxen (1988), Appendix B.

[11] The model was originated by Cass (1965) and Koopmans (1967). The Cass-Koopmans model has recently been discussed by Lucas (1988) and Romer (1989). Neo-classical growth models with pollution abatement have been presented by Maler (1975) and Uzawa (1975).

[12] A detailed description of the data is given by Wilcoxen (1968), Appendix D.

[13] Details are given by Wilcoxen (1988), Appendix D.

[14] Details of our methodology for estimating cost differentials between high-sulfur and low-sulfur coal are given by Wilcoxen (1988), Appendix D.

[15] An alternative analysis of the impact of environmental regulation on U.S. international competitiveness is given by Kalt (1988).

[16] A detailed survey of studies of the impact of environmental regulation on productivity and economic growth in the United States is presented by Christiansen and Tietenberg (1985).

APPOINTMENT OF CONFEREES

The PRESIDING OFFICER. Pursuant to the order of November 12, 1991, the Chair appoints the following Senators to serve as conferees on H.R. 2967, the Older Americans Act amendments of 1991.

The PRESIDING OFFICER appointed, from the Committee on Labor and Human Resources, Mr. KENNEDY, Mr. METZENBAUM, Mr. ADAMS, Mr. HATCH, and Mr. COCHRAN; from the Committee on Finance (solely for the Social Security retirement earnings provisions) Mr. BENTSEN, Mr. MOYNIHAN, and Mr. PACKWOOD conferees on the part of the Senate.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

COMMEMORATING 50TH ANNIVERSARY OF PEARL HARBOR

Mr. LAUTENBERG. Mr. President, December 7, 1991, is the 50th anniversary of the unprovoked surprise Japanese attack on Pearl Harbor and the entry of the United States into World War II.

Early in the morning of December 7, 1941, some 360 Japanese planes attacked Pacific Fleet units at the naval base, Army aircraft at Hickam Field, and other nearby military installations on Hawaii. The American military bravely fought back to defend its base. Our sailors, soldiers, flyers, and gunners heroically manned their stations under the most difficult and trying conditions. They were caught off guard, some even sleeping, by this preemptive and unexpected attack. With the element of surprise on Japan's side, our forces could not fight off the large and well-armed Japanese attacking force.

More than 2,403 American servicemen were lost, 1,178 were wounded, 21 ships and 328 aircraft damaged or destroyed in the course of the attack. In less than 2 hours, the Japanese crippled the Pacific Fleet and undermined the American strategic position in the Pacific.

December 7, 1941, has been referred to as "a date that will live in infamy." Legislation I wrote designating the 50th anniversary of the attack as "National Pearl Harbor Remembrance Day" was enacted this year. It honors the brave individuals in the Armed Forces who served our Nation on December 7, 1941, and throughout World War II. The people of the United States owe a tremendous debt of gratitude to those who served at Pearl Harbor for their valor and sacrifice. I would like to recognize Mr. George Danko, the commander of the New Jersey Pearl Harbor Survivors Association, and Lee Goldfarb, founder of the Pearl Harbor Survivors Association, and national vice commander, for all their help and persistence in getting this legislation passed.

On that Sunday morning, December 7, 1941, more than Hawaii was attacked. American's sense of security was shattered. For the first time, the oceans did not protect America. Our borders were pierced, we were vulnerable, and the world would never be the same. Americans were indignant and wanted to avenge the lives the Japanese had taken. The country was unified and stood behind the President as he signed a declaration of war at 4:10 p.m., Monday, December 8, 1941.

Pearl Harbor will forever stand as a symbol of the dangers of complacency. It will serve as an eternal reminder of our need to protect our national security—not only with weapons but by our example as a democracy—even as we strive toward peace. It will always evoke the moment that America awoke from isolationism to the global responsibilities it assumes to this day.

The 50th anniversary is an important day in history and in the personal lives of those people who survived the attack on Pearl Harbor, and for the families of those who perished. President Bush will travel to Hawaii to give a speech at a ceremony commemorating the 50th anniversary of Pearl Harbor. All across the country, ceremonies like the one in Hawaii will take place in November and December.

On the 50th anniversary, members of the Armed Forces who were in Hawaii on December 7, 1941, and civilian employees of the War or Navy Departments who were wounded, or families of those who were killed in the Pearl Harbor attack, are all eligible to receive a new congressional medal commemorating the 50th anniversary of the attack. Lee Goldfarb, a native of Jersey City, estimates there are some 300 survivors in New Jersey. Mr. Goldfarb was aboard the U.S.S. *Ogala* during the attack as the ship suffered heavy damages before sinking. Some of these survivors will travel to Hawaii for the commemoration ceremonies. I am joining these survivors in Hawaii at the invitation of the Senate leadership, and look forward to these moving ceremonies.

SENATE CLOSED CAPTIONING

Mr. KASTEN. Mr. President, today is a truly historic day for the U.S. Senate—because today marks the beginning of closed captioning of Senate floor proceedings for the hearing impaired.

Today, we send a loud message to our more than 24 million silent partners—you deserve to be a part of the legislative process.

Senate Resolution 13 and the Americans With Disabilities Act required the Senate to make its proceedings available by January 1992. Mr. President, It is great to know that the Senate is not waiting until 1992 to provide full opportunities to those who have been left out of the process for too long—the hearing impaired.

In recent years, I have had the opportunity to interact with deaf and hearing-impaired citizens from all over the country, including many in Wisconsin. I have found them to be very energetic and committed—their thirst for knowledge knows no bounds. Closed captioning in the Senate will help satisfy that thirst.

Mr. President, my colleagues should be aware that closed captioning is not just for the deaf and the hearing impaired; it will affect the hearing population as well. It may well be part of the answer to the illiteracy problem that afflicts our Nation.

There are about 27 million American adults who are functionally illiterate; 18 million children in grades kindergarten to third grade are now learning how to read; about 3 to 4 million immigrants are seeking to learn English as a second language; and countless other Americans are seeking to improve their literacy skills. All of these Americans will benefit greatly from the historic Senate action today.

Another group that will be assisted by closed caption is senior citizens. Often, old age is accompanied by hearing loss. More often than not, the elderly have a difficult time trying to listen to TV. I am sure many will agree that America's elderly are among the most interested citizens when it comes to following the legislative process. I think they will greatly benefit from Senate closed captioning.

For many years, deaf and hearing impaired citizens have been left out of American society; they have never been able to enjoy the same range of information as their hearing counterparts—including Senate proceedings. I had an intern, Dick Albrecht, working on my personal staff who is deaf and attends Gallaudet University. While working with Dirk, I learned the true barriers that deaf Americans face. He, along with many other deaf Americans, obtains information through his eyes, not his ears—and we hearing-Americans need to take that into account. It's refreshing to know that Dirk, or any other deaf employee in my office, will now know the U.S. Senate is actively trying to cut through some of those barriers.

I am proud that the students at Delavan School for the Deaf in Wisconsin can now follow the legislative process and actually read Senator's remarks as they are speaking.

Mr. President, this is a wonderful day for hearing impaired Americans.

TRIBUTE TO FATHER "WOODY": CONSCIENCE OF DENVER

Mr. WIRTH. Mr. President, last week one of Colorado's best friends passed away. Msgr. C.B. Woodrich, best known to Denverities as Father "Woody," was taken from us at age 68—and his passing is not only a loss to his many friends, it is a loss to everyone in this Nation who cares deeply about the homeless, the jobless, and all of those who are in the shadows of our society.

I was blessed to count Father Woody among my friends, and my most recent recollection of him was a little over a year ago when he invited me to join him at Denver's Samaritan House homeless shelter during the Christmas holiday season. Father Woody was the founder of this shelter—and his work as the pastor of Holy Ghost Church was completely dedicated to serving the poor, the innocent, and the underprivileged.

Citing all of Father Woody's benevolent works would fill a volume. To say that he was a man of compassion is something of an understatement.

For those of us who knew him well, however, I prefer to remember Father Woody as a man with a tremendous sense of humor, a man who did not suffer fools well, and a man who never minced his words or took himself too seriously.

I shall miss this gentle and moving man. He would not, I am sure, like his friends to dwell on his achievements—but perhaps he would forgive my saying that he was truly the conscience of Denver, CO.

The real spirit of Father Woody is best captured, for me at least, in the following piece by one of Denver's most popular columnists, Gene Amole. Mr. President, I ask unanimous consent to have Mr. Amole's piece, "Father Woody Not One To Wear a Halo" printed in the RECORD at this time.

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

FATHER WOODY NOT ONE TO WEAR A HALO

Holier.

Do you suppose there are smoking and non-smoking sections in heaven? If so, you'll find Monsignor C.B. Woodrich taking deep drags from a Camel in the smoking section. Father Woody, as most knew him, literally smoked himself to death.

He was still attending St. Thomas Seminary when we met 40 years ago. He introduced himself to me as "Bert," and that's the way I have always known him. The Father Woody business seemed a little theatrical to me, sort of like a character in the movies that Regis Toomey might have played back in the 1940s.

Bert had been a Madison Avenue huckster before entering the priesthood and gravitated toward those of us in the local advertising community. He was something of a rebel in those days, occasionally wearing a garish aloha shirt under his coat instead of a clerical collar.

Smoking was an addiction from which he never recovered. He suffered from diabetes and emphysema. I often lectured him about that. I kicked the habit years ago but am not an anti-smoking crusader. It usually doesn't bother me if others smoke around me so long as they don't blow it in my face.

Bert was different, though. His lungs were in terrible condition. He wheezed and sometimes gasped when he talked. It made me furious that he didn't take better care of himself. Right this minute I am still angry at him for letting this happen. "Your body doesn't belong to you. You are just being permitted to use it." I would tell him. "It belongs to the poor people, the homeless and all the forgotten folks who depend on you. Stop it!"

But he couldn't. He would shrug and then a helpless little smile would cross his face and he would say, "Listen, I am a priest and have to be able to do something." People responded to his humanity, his willingness to admit his own character flaws. He was not holier-than-thou, or holier than anyone else, either.

Those of us in the newspaper game will have to find a new priest to preach over our fallen comrades. Bert probably conducted more funeral services for old reporters and editors than anyone else. One stands out in my memory, the rosary and memorial Mass for Leonard Tangney at the tiny Mother of God church in 1984.

Bert was one of seven priests helping us pray old Leonard into heaven. We made it through all Five Joyful Mysteries before the service was over. As the priests filed out of the church, Bert stopped by my seat, leaned over and said, "You're next." I never quite understood that. Maybe it was because we were the same age, and he was reminding both of us that we ought to get our spiritual houses in order.

When he was chaplain at St. Joseph Hospital, Bert ministered to some of the town's richest and most powerful Catholics, Helen Bonfils and Gene Cervi, to mention just two. I asked him once about Miss Helen's second marriage. "Why would an 80-year-old woman love a 40-year-old man?" I wondered.

"She loved him because he was an animal!" Bert replied.

People in our business liked Bert because they didn't have to watch the way they talked around him. His own language was pretty salty. He loved the spotlight and enjoyed being around the town's power brokers. He was a friend of an atheist I know. I used to see them having lunch at the Brown Palace Hotel occasionally. What did they find to talk about?

I must ask her sometime.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

COMPREHENSIVE DEPOSIT INSURANCE REFORM AND TAXPAYER PROTECTION ACT OF 1991

The PRESIDING OFFICER. The Senate will resume consideration of S. 543, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 543) to reform Federal deposit insurance, protect the deposit insurance funds, and improve supervision and regulation of and disclosure relating to federally insured depository institutions.

The Senate resumed consideration of the bill.

Mr. RIEGLE. Mr. President, I thank the clerk for reporting the bill. Let me make some opening comments, and then I am going to send an amendment to the desk at that point. Then I will be happy to yield to the Senator from New Mexico, who is standing in for Senator GARN for a period this afternoon. Senator GARN is enroute, on his way back from Utah.

Mr. President, this afternoon we are returning to consideration of S. 543, the Comprehensive Deposit Insurance Reform and Taxpayer Protection Act of 1991. Let me just summarize briefly the considerable progress that the Sen-

ate has made on this legislation last week, and my own suggestions and plan for how to proceed today.

In my own view, the Senate has already addressed and settled three of the most important and difficult controversial areas of this legislation. We have voted on and disposed of the securities issue, the insurance issue, and the interstate provisions in this legislation.

At the point the Senate had to interrupt debate on this bill, it was to resolve the urgent issue of extended unemployment benefits. And that issue, when it was brought to the floor, occasioned a major debate, and it was eventually settled. But it became something that took some hours and, therefore, our bill had to stand aside while that was done and sent to the President, and I gather he has now signed that legislation.

Given the persistent economic hardship in the country and the trouble facing unemployed workers across the country who exhausted their unemployment benefits, that issue was absolutely essential, and it was appropriate that it, in fact, go on the fast track to resolution, which was done. Debate on that issue occupied the Senate on Thursday evening and all day Friday. But having settled now the unemployment compensation extension issue, we are now ready to return to the banking bill. And, as I have just said, I believe that the majority of the difficult decisions are behind us, although some amendments remain that will require debate and votes.

So let me describe now how I would like to proceed this afternoon.

First, I would like to offer an amendment to simply try and improve a provision that was adopted during the Banking Committee's markup of the bill regarding foreign deposits. I understand that Senator SASSER would like to speak about this amendment, after which Senator KOHL would like to offer a sense-of-the-Senate resolution regarding foreign deposits.

After that discussion has occurred and that amendment has been dealt with, I would like to then turn to the fourth, and I believe the last area of significant controversy within the bill, namely the bill's consumer protection provisions. It is my understanding that Senator MURKOWSKI and Senator COCHRAN may offer amendments to this title, and I would like to be able to debate and vote on those amendments this afternoon, as soon as that is feasible.

I might say, I also received a phone call from Senator METZENBAUM, who is flying back in, who has a longstanding interest in that area where he also wants to be present and hopes to be present for that debate when that occurs later today.

If we can set that schedule and move through that schedule, I understand that Senator KERRY of Massachusetts and Senator GRAHAM of Florida may offer amendments to title I of the bill dealing with the recapitalization of the bank insurance fund. Assuming that they do so, I would like to deal with those amendments and then turn to amendments that Senator DOMENICI indicated he may offer regarding securities fraud legislation, unless he and Senator BRYAN are able to work that issue out in the meantime. I understand some discussions are ongoing in that area.

I should also say that I have heard from Senator KERRY from Massachusetts, who I was just referencing, and he is also traveling back to Washington today and intends to be here later in the afternoon and be prepared to deal with the issue that he has brought forward.

As I have now said, I think we have already addressed and settled the three most contentious issues in the bill. I believe the remaining issues and amendments are ones where the Senate has to work its will. And after it has done so, by one means or another, I think we can then vote on final passage of this legislation within the next day or two, and it would certainly be my goal to attempt to accomplish that.

I talked with Senator GARN yesterday. Senator GARN is in Utah. I will not presume to make any representation for Senator GARN now until he has a chance to arrive and speak in his own behalf, but I will say this: That we have worked very closely together and cooperatively on this legislation from the very beginning through the markup process, bringing the bill to the floor, and the time that the bill has been on the floor.

Last evening, there was an opportunity for the senior staff of the Banking Committee of both parties to meet and sort of assess where we were with respect to the work through the legislation, and the outstanding issues that were still there to be dealt with. And, for a period of time, representatives of Treasury Department came and were present to think with us about the scope of the legislation, the necessity for the legislation.

Without going into any specific item in the bill, I think it is clear on the part of all that this legislation, in whatever final form we decide upon, has to be enacted before the Senate goes into recess this year. If the schedule is adhered to that the Senate and the House will finish operations before the Thanksgiving recess, there should be no doubt about the fact that this legislation, whatever final form emerges, has to be enacted and has to be signed into law by the President.

I say that because the deposit insurance fund that stands behind the deposits of citizens, of individuals, in commercial banks, that deposit insurance fund is virtually empty and will be empty before the end of this calendar year.

This legislation provides an infusion of $70 billion of borrowings from our Government that will go into the bank insurance fund, both to cover any future losses associated with shutting down failed banks and to provide necessary working capital to handle the disposition of the assets that would be taken in from those failed banks in the months, in the period ahead.

So in order for that to take place on a proper and orderly basis, the funds have to be in the insurance fund. And, of course, the plan is for the banks themselves to repay that borrowing over a 15-year time period, so that we avoid a taxpayer bailout in this situation. That has been discussed on this floor before.

But the essential fact is that this legislation must be enacted before the Congress adjourns. There is just no other way to say it. It has to be done. So it is certainly my intention, and I know also in that respect, the intention of Senator GARN and of the members of the Banking Committee, to get this legislation completed.

So we have to march on through it.

It might also be said that the House has approached this issue somewhat differently than the Senate. They have, on two occasions, attempted to pass a bill on the House floor, and the differences were such that both of those bills were not passed in the House, and efforts have been mounted again and are ongoing today to bring a bill through the House.

I believe that at some point soon, they will produce a bill in the House. And that bill and the bill that we produce here will go into conference and will be settled out, and we will be back here before the adjournment so that we can settle this issue once and for all.

So, for that reason, this legislation must pass.

In the way of another observation about our plan for proceeding, I would like to say to all Senators who have amendments that, in every case possible, I would like to try to work those amendments out. I have said to Senator GARN that, where that is possible, where he and I could reach agreement representing the two sides of the committee and could work out an amendment with a Senator, a group of Senators, we would then propose to take those amendments that have been worked out agreeably and collect those in a managers' amendment which would come at the end of the consideration of this bill.

And so I say to all Senators who have amendments, I hope we will work together to see what amendments can be handled in that fashion. Those that cannot be, if Members are going to offer them on the floor, will then in turn have to be offered and debated and

settled by the Senate as a whole. My hope is that on the amendments which fall into that category, ones that cannot be settled but ones that require debate and a vote on the floor, we can work out time agreements that are fair but also take account of the fact we do not have a great deal of time left and there is other legislation waiting behind this bill that does need to come to the Senate floor.

So my hope is that we can work out agreeable time limits that get the job done but are compact so that we can have a debate, get the issue framed on both sides, take it to a vote, settle it, and move on. So we will attempt to do that as the day goes on.

I will be working with Senators to try to either resolve amendments through a managers' amendment where agreement can be worked out ahead of time, and, if not, then to schedule those in an orderly way so that we can take them up, debate them, and vote them up or down, as the Senate so chooses.

I know of no other way to proceed. I can assert that the administration, for its part, feels this is an urgent matter, as I feel and as I know Senator GARN feels, and I know I can make that representation for him.

I also believe that, with respect to the administration, they have said to me that they like the Senate bill. It does not mean that they like in detail every single part of it, but that they have been supportive of the bill we have produced. They have indicated to me, as of last evening, that they think the compromise we have worked out in the interstate section of the bill is a useful compromise and one that they find they would support. Their clear signal to me in our discussions was to the effect they thought we ought to try to move ahead and see if we can resolve the rest of the issues in this bill and get the bill to conference.

I will leave it at that because Senator GARN and I have not had much time to talk over the weekend because of the fact that he was in Utah, as I was here. We have had the one conversation I have mentioned. Until Senator GARN arrives, I am not going to attempt to make any other comment with respect to his view at this point beyond what he himself would choose to say. Although if the Senator in New Mexico has a comment, I would certainly welcome that before sending this amendment to the desk.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I thank the Chair. I thank the distinguished chairman.

I do have a few comments, a few thoughts. First of all, I am here because the ranking Republican, Senator GARN, asked me to be here. I serve on the committee, albeit a rather new member of that committee.

Might I say to Senator RIEGLE, I think it is fair to say we have to pass some banking legislation before we leave. I think it is absolutely imperative that we pass the BIF refinancing, as the Senator has stated. I do not think there is any way we can leave here for the year and claim to be responsible if we have left the BIF fund, that is, the fund that the banks use to take care of insolvent banks, and they eventually pay all that back under the BIF plan in the bill. It is not the Government. The Government helps them borrow it, but the banks assess all the banks a certain amount, and they more or less agree we have been reasonable in this bill in our 15-year finance plan. So I share with the chairman the absolute requirement and the commitment from our side that we get a bill that includes the BIF, the refinancing for their insurance fund.

Separate and aside, Mr. President, from this bill but something that the Banking Committee must consider, we have the RTC fund, which clearly is in need of additional capitalization. It is not the case of whether or not we want to put more money into that. It is a case of our already having committed to it, and now we have to put the money up to make the closures and the buyouts and the mergers. If it runs out of money and we still have work to be done, we do not save our taxpayers any money; we cost them money. There is no doubt about that. When they are ready to put together the buyouts or the mergers, they do it on the basis of the most economic method. And if we do not have money there, we can just commit to our taxpayers that we are wasting money because they will have to do it in a more expensive way. So I hope the distinguished chairman agrees with that.

Mr. RIEGLE. Will the Senator yield?

Mr. DOMENICI. I am pleased to yield.

Mr. RIEGLE. I do agree with the Senator on that. That is another item that, in my view, has to move through here before the end of this session although, as the Senator knows, we have attempted to keep these matters separate rather than combine them in one piece of legislation.

Mr. DOMENICI. Absolutely.

Mr. RIEGLE. I will say this. There have been some signals out of the House of Representatives from the Senator's side of the aisle. Apparently, there is some group of people over there—I do not know how determined they are—who have made an attempt to stop the RTC funding unless there is an economic stimulation package developed. I am not sure, but that warning flare has been fired in the air. That probably ought to be made a part of the record.

Mr. DOMENICI. I thank the Senator. I am not aware of that. Whether it is Republicans in the House of Democrats in the House, we have to pass additional funding for the RTC. It is sort of like buying a bunch of Christmas presents and then in February, when the time comes to pay for them, act like you did not buy them. We are just going to have to do that. Some can vote against it, but at least a majority ought to do what they must do in this regard.

I might say to my friend, the chairman, that I do not know if we are going to get the GSE legislation now or not, but it seems to me that we were mandated to do that, and I think at least we ought to commit a time specific that we will get that done. That is not as important as the other two items.

Permit me, Mr. President, to talk about two other issues, if I might.

I know that the 10(b) class actions are of interest to a number of Senators and that the junior Senator from Nevada has sought to extend the statute of limitations for those kinds of actions. I now have, and am willing to present to the Senator or to him, the administration's position and the FCC Chairman's position. Both wanted the extension. But I might say both want the extension conditioned upon our having some reform with reference to how we do the discovery work and who pays for it and who pays for the lawsuits in the event they are absolutely meritless. I think in both cases the administration and the FCC are saying we want reform there because there is some evidence—in fact, I say, as one who is now familiar with it, there is a lot of evidence that many of the cases are now being brought just as a matter of course and money is being collected just because you file them. That is one issue. I hope the chairman knows I am not going to try to hold anything up, but neither do I think we should count on extending the statute of limitation for this very controversial type action with no reform as to who is going to pay the cost of the lawsuits, some mild inhibiter or not, and I think we have to get to this.

Mr. RIEGLE. Will this Senator yield.

Mr. DOMENICI. I will be pleased to yield.

Mr. RIEGLE. I have spoken today with Senator BRYAN of Nevada, who, as the Senator knows, is on the other side of that issue than the Senator from New Mexico. He has indicated to me that he is prepared to be in conversation with the Senator and their staffs to see if there is a way to find an accommodation on this issue.

If there is, that would be a very useful development. If not, at some point there should be a period of time for debate and a vote to settle it. But he did indicate to me that he is prepared to discuss that with the Senator and hopefully those discussions can ensue.

Mr. DOMENICI. Mr. President, let me also state on that issue that I understand eventually we might to have an up or down on my amendments. Let me say I feel very strongly about this. I

have now read sufficient enough to know that we have to get an amendment adopted if we are going to extend the statute of limitations. I would be prepared to spend a little time on that.

Having said that, I want to tell the chairman about one other amendment that I hope he will look at with us as part of his general desire to work out some things here.

Mr. President, we have found that in a number of States the rigid certified appraisal requirements under FIRREA are now rate inhibitors to getting money loaned, and we are all complaining about the banks in America not lending money. We think one of the reasons is that we have the threshold for appraisal which is so low, $50,000 of value, as to require a certified appraisal both for commercial and residential. We think that is extremely low, and it is clogging up the process. In some States it is taking 3 to 6 months to get the appraisal done.

We are sitting here saying let us get the regulators to loosen up so money can be loaned. We have an amendment that will attempt to fix that and a few other items with reference to appraisal that we would like to share with you and see if we could not reach some accommodation.

I yield the floor, if it is his desire to submit an amendment.

Mr. RIEGLE. I thank the Senator from New Mexico. Again, my hope is that on any issues we have which are in play and contentious that we talk them through, work them through. We have a lot of other things to do this week with respect just to the work of the Banking Committee. So I think time is really of the essence to try to get these matters resolved.

Let me send an amendment to the desk that simplifies the bill regarding foreign deposits. This amendment has the support of myself, and Senator GARN.

AMENDMENT NO. 1350

(Purpose: To revise the treatment of foreign deposits)

Mr. RIEGLE. 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 Michigan [Mr. RIEGLE], for himself and Mr. GARN, proposes an amendment numbered 1350.

Mr. RIEGLE. 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:

Beginning with page 122, line 23, strike all through page 125, line 8, and insert the following:

"(viii) SPECIAL ASSESSMENT TO RECOVER LOSSES ON FOREIGN DEPOSITS.—

"(I) IN GENERAL.—This paragraph shall apply if—

"(aa) the Corporation incurs a loss with respect to an insured depository institution; and

"(bb) persons with foreign deposits at the institution receive more than they would have received if a receiver had been appointed for the institution on the relevant date and the applicable foreign deposits had been included as part of the receivership's liabilities.

"(II) SPECIAL ASSESSMENT REQUIRED.—The Corporation shall, as soon as practicable, recover the difference between—

"(aa) the amount that persons with foreign deposits at the institution received, and

"(bb) the amount that the Corporation estimates those persons would have received if a receiver had been appointed for the institution on the relevant date and the applicable foreign deposits had been included as part of the receivership's liabilities,

by imposing 1 or more special assessments on all members of the deposit insurance fund of which the institution was or is a member, in proportion to the foreign deposits held by those members at the beginning of the semiannual period containing the relevant date. The Corporation shall base the estimate required by item (bb) on the estimated loss that the Corporation will incur in the resolution actually undertaken with respect to the institution. Any calculation under this subparagraph shall be in the Corporation's sole discretion.

"(III) TIMING OF SPECIAL ASSESSMENTS.—

"(aa) IN GENERAL.—Special assessments under subclause (II) shall begin not later than the semiannual period beginning 90 days after the date on which the aggregate amounts calculated under subclause (II) (with respect to all institutions that were or are members of the deposit insurance fund), and not yet assessed, exceed $1,000,000.

"(bb) INTEREST ON DELAYED ASSESSMENTS.—Any amount calculated under subclause (II) and not yet assessed shall bear interest at the daily average yield on 3-month Treasury obligations.

"(IV) DEFINITIONS.—For purpose of this paragraph:

"(aa) CAPITAL CATEGORIES.—The terms 'adequately capitalized' and 'significantly undercapitalized' have the same meanings as in section 37 of the Federal Deposit Insurance Act.

"(bb) FOREIGN DEPOSIT.—The term 'foreign deposit' means any obligation of an insured depository institution described in subparagraph (A) or (B) of section 3(l)(5).

"(cc) RELEVANT DATE.—The term 'relevant date' means the date on which the earliest of the following occurs with respect to an insured depository institution:

"(AA) The institution is significantly undercapitalized, and has advances from a Federal Reserve bank outstanding for more than 5 consecutive days (without subsequently becoming adequately capitalized).

"(BB) The Corporation initiates assistance under section 13(c) with respect to the institution.

"(CC) A receiver or conservator is appointed for the institution.".

Beginning on page 231, line 21, strike all through page 233, line 22, and insert the following:

"(6) SPECIAL ASSESSMENT TO RECOVER LOSSES ON FOREIGN DEPOSITS.—

"(A) IN GENERAL.—This paragraph shall apply if—

"(i) the Corporation incurs a loss with respect to an insured depository institution; and

"(ii) persons with foreign deposits at the institution receive more than they would have received if a receiver had been appointed for the institution on the relevant date and the applicable foreign deposits had been included as part of the receivership's liabilities.

"(B) SPECIAL ASSESSMENT REQUIRED.—The Corporation shall, as soon as practicable, recover the difference between—

"(i) the amount that persons with foreign deposits at the institution received, and

"(ii) the amount that the Corporation estimates those persons would have received if a receiver had been appointed for the institution on the relevant date and the applicable foreign deposits had been included as part of the receivership's liabilities,

by imposing 1 or more special assessments on all members of the deposit insurance fund of which the institution was or is a member, in proportion to the foreign deposits held by those members at the beginning of the semiannual period containing the relevant date. The Corporation shall base the estimate required by clause (ii) on the estimated loss that the Corporation will incur in the resolution actually undertaken with respect to the institution. Any calculation under this subparagraph shall be in the Corporation's sole discretion.

"(C) TIMING OF SPECIAL ASSESSMENTS.—

"(i) IN GENERAL.—Special assessments under subparagraph (B) shall begin not later than the semiannual period beginning 90 days after the date on which the aggregate amounts calculated under subparagraph (B) (with respect to all institutions that were or are members of the deposit insurance fund), and not yet assessed, exceed $1,000,000.

"(ii) INTEREST ON DELAYED ASSESSMENTS.—Any amount calculated under subparagraph (B) and not yet assessed shall bear interest at the daily average yield on 3-month Treasury obligations.

"(D) DEFINITIONS.—For purposes of this paragraph:

"(i) CAPITAL CATEGORIES.—The terms 'adequately capitalized' and 'significantly undercapitalized' have the same meanings as in section 37 of the Federal Deposit Insurance Act.

"(ii) FOREIGN DEPOSIT.—The term 'foreign deposit' means any obligation of an insured depository institution described in subparagraph (A) or (B) of section 3(l)(5).

"(iii) RELEVANT DATE.—The term 'relevant date' means the date on which the earliest of the following occurs with respect to an insured depository institution:

"(I) The institution is significantly undercapitalized, and has advances from a Federal Reserve bank outstanding for more than 5 consecutive days (without subsequently becoming adequately capitalized).

"(II) The Corporation initiates assistance under section 13(c) with respect to the institution.

"(III) A receiver or conservator is appointed for the institution.".

On page 295, between lines 9 and 10, insert the following:

"(C) SPECIAL ASSESSMENTS ON FOREIGN DEPOSITS.—The Corporation shall not consider the proceeds of any special assessment on foreign deposits.".

Mr. RIEGLE. Mr. President, let me just make a brief explanation. I know my colleague from Tennessee is here, who wishes to speak on this amendment.

This amendment is technical in nature. It simplifies and improves the provision that was adopted during the Banking Committee's markup of this

bill. As I said that has been accepted on both sides.

The provision provides that foreign deposits are protected in the future; there shall be an assessment to recover the cost only on banks that hold foreign deposits. This amendment is a compromise. It is the result of much hard work by Senators on the Banking Committee, and in particular Senator SASSER, Senator BRYAN, and Senator D'AMATO.

I also want to compliment Senator KOHL and Senator GRAHAM of Florida for their efforts. I know Senator KOHL is here and will be offering a sense-of-the-Senate resolution after Senator SASSER has completed his remarks on this provision.

So let me yield the floor if Senator SASSER is prepared to address this issue.

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, I thank the distinguished chairman of the Banking Committee for yielding. Let me say that I rise today to address the issue of foreign deposits and the provision that is contained in the bill.

There will be a resolution offered shortly by Senator KOHL. I also will support the resolution that will be offered by the distinguished Senator from Wisconsin.

I am pleased that the Senate for the first time is facing squarely the inequitable and costly preference that exists for foreign depositors over domestic depositors in our banking system. S. 543 contains a compromise provision negotiated between myself, Senator BRYAN, and Senator D'AMATO which was unanimously accepted by the Banking Committee during the markup of the bill. I express my appreciation to the chairman, Senator RIEGLE, for his cooperation, and support in that regard.

The provision is being improved and strengthened by the just-adopted managers' amendment to the bill. The provision will bring fairness to an unjust situation. Foreign deposits, unlike domestic deposits, are regularly insured by the Federal Deposit Insurance Corporation, but they are not assessed deposit insurance premiums as are domestic deposits.

Mr. President, this provision will make those banks that benefit from the coverage of foreign deposits pay for what they receive—banks with domestic pay for what they receive when their domestic deposits are insured.

What gives rise to this concern here? The contrasting treatment last year of the National Bank of Washington vis-a-vis the Freedom National Bank of Harlem, shows the gross inequity and unfairness that has been worked by previous practices.

In the National Bank of Washington case, all deposits, including $85 million of deposits at a Bahamas branch, were made whole and good by the Federal Deposit Insurance Corporation; $85 million for foreign deposits were protected by the Federal Deposit Insurance Corporation.

Meanwhile, at the Freedom National Bank in Harlem, when it became insolvent, charities like the United Negro College Fund lost a portion of their deposits.

The message is clear. If you make a deposit in the Bahamas branch, you are going to get the backing of Uncle Sam. But if you make a deposit in a bank in Harlem, or in a community bank in Selmer, TN, you are at risk. And this is true even though a community bank pays premiums on all of its deposits. But not one dime is paid to the FDIC to insure a foreign deposit.

The foreign deposits policy of the Federal regulators, I say, Mr. President, is inequitable. It is a distortion of the banking system overall. There is no getting around it.

Free coverage of foreign deposits has an unfair and negative effect on competition. Banks with overseas deposits, because they have free insurance, can raise money less expensively than they would if they were paying dollar for dollar for the insurance on these foreign deposits.

The problem that is posed is that a big money center bank is a substantial risk to the insurance company fund. Yet most of these banks pay premiums on a very small percentage of their deposits. Numerous money center banks pay premiums on less than one-half of their deposits because the other half are so-called acquiring deposits, while regional and community banks pay premiums on all of their deposits.

Mr. President, there has never been a bank failure where foreign deposits have not been made whole. In one way or another, the Federal Government has stood behind an estimated $22 billion—$22 billion—in foreign deposits over the last decade.

In 1980, for example, First Pennsylvania failed with over $2 billion in foreign deposits on its books, and they were covered. Four years later, Continental Illinois went under with a whopping $18.5 of overseas deposits. Nearly $900 million was insured at the First Republic; $138 billion at First City. The list goes on and on.

In August 1990, $85 million of deposits at the Bahamas branch of National Bank of Washington, as I indicated earlier, were bailed out. In January, depositors at the Bank of New England's Cayman Islands branch got help from the FDIC to the tune of $100 million.

The problem, Mr. President, is these banks did not pay 1 cent of premiums to ensure these foreign deposits. Yet, they were fully insured by the Federal Government.

So the present policy is inequitable within the banking industry. For example, Bankers Trust has nearly twice the assets of SunTrust. Yet, Bankers Trust pays less than one-half the premiums of SunTrust. In 1990, Bankers Trust paid only $27 million in premiums, while SunTrust paid $58 million. Why is that? Because Bankers Trust, even though it has twice the assets, has a very substantial portion of foreign deposits. Whereas, SunTrust has overwhelmingly domestic deposits.

Mr. President, as the Comptroller General said in testimony before the Senate Banking Committee:

> * * *The current assessment base gives * * * larger banks a greater incentive to seek funds through overseas deposits * * * that are not part of the * * * premium base, but are frequently protected on a de facto basis when banks fail. Since the potential failure of the large bank places the bank insurance fund in the most danger, we believe the fairest way to recapitalize the bank insurance fund is with an assessment base that encompasses all activities on a bank's balance sheet.

So, Mr. President, the provision that is contained in the bill and is being improved by the manager's amendment will redress what I perceive and others perceive to be a very inequitable situation. It provides that if foreign deposits are covered in the future, there will be an assessment by the Federal Deposit Insurance Corporation to cover the costs that will only be paid by banks that have foreign deposits.

Under this provision, never again will premiums paid by community banks be used to cover the deposits of sophisticated foreign investors. The free ride will be over, and the taxpayers will be protected. The provision is an alternative to an up-front assessment of foreign deposits.

The argument of the money center banks has always been that foreign deposits are not insured; therefore, they should not be assessed. If that is the case, this amendment says, fine, have it your way; then foreign deposits are not insured by policy. But if somehow, some way, they manage to get covered, if one of these Bahamas bailouts slips through the cracks again, as they have so often in the last decade, we tell the Federal Deposit Insurance Corporation to recoup the costs.

The assessment must be sufficient to recover that share of the total cost of resolving the failed institution's foreign deposits. So banks that have foreign deposits—not banks with domestic deposits—will pay off foreign depositors in the future.

Mr. President, this provision is fair to small banks and is fair for big banks. Smaller domestically oriented banks will no longer be subsidizing the big banks. Moreover, Mr. President, this provision represents a significant protection to the bank insurance fund. The bank insurance fund and the taxpayers will never again be called upon to pay out on unassessed foreign deposits.

This is important, because there is much evidence that a great deal of the

threat facing the Federal Deposit Insurance Corporation today is from banks that hold foreign deposits.

So, in summation, the provision will protect the taxpayers. It will reduce the distortion and inequities in the banking system. I urge support of the resolution to be offered by the distinguished Senator from Wisconsin, who I see has now arrived on the floor, which underlines the vital importance of the foreign deposits provision in the bill.

As the chairman well knows the issue of assessing deposit insurance premiums on foreign deposits of U.S. banks has been one of the most controversial questions in banking for many years. Community bankers have long held that it is unfair for foreign deposits to be covered by the FDIC when there are no insurance premiums paid on them. The coverage of foreign deposits is particularly unfair when it is considered that community banks pay premiums on all their domestic deposits, but typically the FDIC only covers those up to $100,000 in a small bank failure. The failure of Freedom National Bank in Harlem last year was a good example of this phenomenon; many charities were left holding the bag because of the FDIC policy. However, at just the same time the FDIC arranged a transaction that resulted in full coverage for the depositors at the Bahamas branch of the National Bank of Washington, even though NBW never paid premiums on those deposits.

Mr. RIEGLE. The Senator is absolutely right and I commend his leadership on this issue. I also want to compliment Senators BRYAN, D'AMATO, and KOHL for raising this issue and working hard on a compromise that I will do everything in my power to have enacted.

Mr. SASSER. I thank the distinguished chairman. As he knows, the bill contains a provision that provides that if foreign deposits are protected in the future there shall be an assessment to recover the cost only on banks that hold foreign deposits. As a result of this, no community bank shall ever pay again for the insurance of a foreign deposit. At this time, I also want to thank Senator KOHL for his efforts and leadership on this issue. I also want to say that I appreciate the sincerity of Senator D'AMATO in seeking a resolution to this issue. I enjoyed working with the Senator from New York and his staff.

Mr. RIEGLE. The Senator is correct about the effect of this provision. This is an extremely worthwhile and fair provision that settles a longstanding controversy. I will oppose any weakening or alteration of this provision in the conference committee meeting with the House.

Mr. KOHL. I agree with Senator SASSER and Senator RIEGLE that the provision in the bill is a giant step toward an equitable resolution of this issue. I am pleased to be a part of this effort to bring some fairness to community banks. Our Nation's community banks have been paying the cost of insurance of foreign deposits for many years. This has to end.

Mr. GARN. I fully support the compromise provision contained in the bill. I have never supported assessment of foreign deposits but I believe this is a reasonable approach. I will work to preserve this approach in the conference committee meeting with the House of Representatives.

Mr. D'AMATO. I also support fully the compromise provision on foreign deposits. It is fair. If banks get insurance on these deposits they have to pay for it, but in the meantime the presumption is that these deposits are neither insured nor assessed. I will work with my colleagues to be sure that this amendment is not diluted in conference by the other body.

Mr. BRYAN. I am pleased to have worked with my colleagues in fashioning this historic compromise and believe it is an equitable solution.

Mr. SASSER. I yield the floor.

Mr. GARN. Mr. President, I rise in support of the compromise that has been proposed on the issue of assessment of foreign deposits. The committee bill all but eliminates cases in which foreign deposits will be protected by the FDIC. And under the compromise on foreign deposits that is now being considered, in those few cases when foreign deposits are protected by the FDIC, a special assessment to recover the cost of protecting them will be imposed on the large banks that hold foreign deposits.

It is my hope that this provision will eliminate once and for all the argument that foreign deposits should be part of the base for assessing FDIC premiums. No bank that is not a holder of foreign deposits will ever face a cost of protecting them.

As we consider this compromise, I think it is important for the Senate to review the arguments against simply applying deposit insurance assessments to foreign deposits. In my view there are very good reasons why such assessments have been considered and rejected at least nine times since the 1930's, and little argument for them.

The major argument put forward in support of such assessments is that big banks that found themselves with foreign deposits have paid no premiums on those foreign deposits while being fully protected under the too-big-to-fail doctrine. Thus, they have enjoyed a subsidy from the smaller banks. This claim does not withstand scrutiny. Looking at the data, the better argument is that large banks already subsidize the cost of insurance for small banks because they have paid far more to the bank insurance fund than has been spend on large bank failures.

While there is little reason to impose assessments, there are many very good reasons why such a policy would be a mistake. First and foremost, insurance coverage for foreign deposits would expand the FDIC safety net and expose the FDIC to considerable foreign exchange risk at a time when we are trying to reduce the exposure of the fund.

Second, such assessments would have a strong negative impact on U.S. banks in the international banking market, since no other deposit insurance system in the world imposes premium assessments on interbank deposits in foreign branches of its banks. In foreign markets, U.S. banks raise between two-thirds and three-fourths of their funds through the interbank and wholesale loan markets, which feature very competitive pricing. Most foreign deposits are raised and used overseas. A 25–30 basis point assessment could cause U.S. banks to either lose customers or lose money, putting them out of this business.

A contraction in the interbank or wholesale funds of U.S. foreign branches would limit an important source of international liquidity for them. If U.S. banks ware forced to retrench internationally, their absence from the international marketplace would limit seriously the availability of competitive financing for U.S. exports. As former Federal Reserve Board Governor Heller has said: "* * * If American banks disengage from the international arena, American businessmen will have to conquer new export markets without an important ally in the form of their own banker. The loss of that extra competitive edge may be costly in terms of foregone sales."

For all these reasons, assessment of foreign deposits would be a mistake. That is why I believe this compromise is workable. It would maintain current policy under which foreign deposits are neither assessed nor insured. Only in rare cases where foreign deposits are protected, such as a systemic risk situation, foreign deposits would be assessed to recover the cost of such protection. I urge adoption of the compromise.

Mr. KOHL addressed the Chair.

The PRESIDING OFFICER (Mr. BRYAN). The Senator from Wisconsin.

Mr. KOHL. As my colleagues know, I had intended to offer an amendment based on a simple principle: Institutions that benefit from deposit insurance protection ought to pay for that protection. That principle led me to the conclusion that since we have insured—and will continue to insure—foreign deposits, banks ought to pay insurance premiums on them to the bank insurance fund. Simple principle, logical conclusion.

Unfortunately, there is no guarantee that the amendment enacting it would survive the conference committee, even if that amendment won overwhelmingly in the Senate, as I believe it would have.

As a result, Mr. President, we have been negotiating a compromise which, in my judgment, represents a vast improvement over current law, a substantial improvement over the bill, and only a modest move back from the principle I wanted to originally achieve. The first part of that compromise was embodied in the Riegle-Garn amendment just adopted. The second part is the amendment I will soon send to the desk and ask it be read.

Mr. RIEGLE. If the Senator would yield momentarily before having that reported, I would like to move ahead to the adoption of the technical amendment and have that settled before the Senator's sense-of-the-Senate resolution is laid down. If that is agreeable, I urge that we adopt the technical amendment sent previously to the desk.

Mr. DIXON. Will the manager yield for a question?

Mr. RIEGLE. Yes.

Mr. DIXON. Is my understanding correct that the procedure now taking place is that my friend, the Senator from Tennessee, has offered an amendment that the managers have agreed to?

Mr. RIEGLE. Yes.

Mr. DIXON. The Senator from Wisconsin has another amendment that will be generally agreed to?

Mr. RIEGLE. Yes, it is generally agreed to. He does want a vote on it, and that will occur later this afternoon at a time to be set. The technical amendment I have asked for a vote on will not require a rollcall vote.

Mr. DIXON. I see. I have no objection.

Mr. RIEGLE. Mr. President, I ask that the Senate now act to approve the technical amendment.

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

The amendment (No. 1350) was agreed to.

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

Mr. D'AMATO. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1351

(Purpose: To express the sense of the Senate with respect to foreign deposits)

Mr. KOHL. Mr. President, I send my amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will now report the amendment.

The legislative clerk read as follows:

The Senator from Wisconsin [Mr. KOHL], for himself, Mr. NICKLES, and Mr. DECONCINI, proposes an amendment numbered 1351.

At the end of title II, add the following new section:

SEC. 231. SENSE OF THE SENATE.

(a) FINDINGS.—The Senate finds that—

(1) one of the primary purposes of banking legislation is to restore the confidence of the American public in the soundness and equity of the United States banking system;

(2) public confidence in the soundness of the Bank Insurance Fund has been shaken by a Congressional Budget Office estimate that by the close of 1993, bank failures among large banks will cost the insurance fund approximately $15,000,000,000, compared to a $5,000,000,000 cost for the failures among small banks;

(3) public confidence in the equity of the deposit insurance system has been shaken by the too-big-to-fail policy—a policy which granted less Federal protection to the depositors in smaller banks, such as the Freedom National Bank in Harlem, than to depositors in larger banks, such as the Bank of New England;

(4) public confidence in the soundness and equity of the deposit insurance system has been shaken by the United States Government's practice of covering foreign deposits with Federal deposit insurance but not assessing those deposits with deposit insurance premiums;

(5) this practice has resulted in smaller community banks being charged deposit insurance premiums on a higher percentage of their deposit base than their larger competitors;

(6) foreign deposits are not insured deposits under the Federal Deposit Insurance Act; and

(7) this Act take important steps to address the too-big-to-fail policy and to end the unauthorized coverage of unassessed foreign deposits.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that any final banking legislation should make it clear that foreign deposits are not covered by deposit insurance unless those deposits are assessed for that coverage.

Mr. KOHL. Mr. President, I believe the amendment is self-explanatory. It lays out, in a sense-of-the-Senate resolution, the principles of fairness and soundness embodied in the original amendment and it directs the conferees to preserve the steps that S. 543 now takes to enact those principles into law.

I am proud to point out that there are others in this body who also very much wanted to see the principles stated in this sense-of-the-Senate enacted into law. The amendment I originally intended to offer was cosponsored by Senators GRASSLEY, CONRAD, EXON, GRAHAM, BROWN, FOWLER, BURNS, ADAMS, HARKIN, HEFLIN, SIMON, ROBB, LOTT, and HOLLINGS. They all believe strongly in the equity of assessing foreign deposits. Also, the compromise we have reached today is due in great part to the efforts of Senator SASSER, and he deserves recognition as well.

Let me describe what we have under current law.

Under current law, foreign deposits are insured—for free. The U.S. Government, through the FDIC, has a clear and longstanding policy of covering the deposits held by U.S. banks in out-of-country branches if those U.S. banks fail.

There is nothing inherently wrong with doing that. But what is wrong is that foreign deposits are not assessed for deposit insurance premiums.

In other words, under the current system, banks with foreign deposits get Federal insurance on these deposits, but they do not pay for it.

Not only does that make no sense, it actually does some damage. The cost of insuring foreign deposits is unfairly borne by banks which have no such liabilities.

The Nation's nine largest banks hold over 75 percent all the foreign deposits held by U.S. institutions. In fact, those nine banks have 50 percent of all their deposits in foreign offices. Since foreign deposits are not charged deposit insurance premiums, the Nation's biggest banks end up paying deposit insurance premiums on only about 50 percent of their deposit base.

Compare that with the typical community bank—the kind of bank that serves the small businesses, property owners, and local government in most of the towns in your State. That bank will usually pay deposit insurance premiums on up to 90 percent of its deposit base.

That is what we have now, an inequitable system that places an unjustified burden on our local, smaller, community based banks. To correct that problem, I wanted to assess premiums on foreign deposits and nondeposit liabilities. But the big banks did not want to see that happen. Which brings us to the approach contained in the bill.

Essentially, the bill does say that we will not cover foreign deposits. But, because the Banking Committee recognizes that S. 543 does not shut off all opportunities for the BIF to make foreign deposits whole, the bill also contains a fall-back provision. That provision says that if the BIF ever again has to cover foreign deposits, in a bank failure a special assessment will be imposed on all banks that hold foreign deposits. That assessment will be sufficient to reimburse the bank insurance fund for the cost of the coverage.

As a concept that is not bad. Not all good, but not all bad either. At least the community banks will not end up paying for free insurance coverage received by their large competitors. But the language of the committee bill, in my judgment, contained numerous loopholes which might have prevented the special assessment from fully compensating the insurance fund.

The compromise amendment the committee has agreed to accept closes those loopholes and makes the approach in the bill more effective.

To that degree, the compromise deserves our support. And it has mine.

But I would be less than honest if I did not express my disappointment that we were not able to get more.

While community banks will no longer have to subsidize large banks, large banks will not be paying premiums into an integrated insurance system. They will have their own segregated account to cover foreign depos-

its, an account that operates only for their benefit.

That bothers me because it is one more example of how Congress and the administration favor large financial institutions. Sometimes I believe we have become so enamored of the big bank conglomerate that we have forgotten the vital role community banks play in our local economy. This country was build from the grassroots up, and it prospers today because of the grassroots—our small businessmen, our farmers, our average working families. I cannot understand why we are so willing to push an unfair burden on the banks that serve these folks. Increase the international competitiveness of big U.S. banks, by all means. But not by pushing out the banks whose business is confined to their own towns and neighborhoods.

When the Government strikes out at the competitiveness of these local banks—as we have with our current, biased deposit insurance system—we strike out at community development and neighborhood vitality. When the Government backs laws and regulations that treat small and large banks fairly, we champion the small business, the farmer, the average saver, the first time homeowner, all the real people who make up America's diverse and widespread economy.

The compromise before us takes a small step toward the goal of a deposit insurance system that values big and small banks alike. And in the months ahead, I hope we will continue to address the inequities that exist and threaten our community-based banks.

I urge my colleagues to give the Sense of the Senate before us their support. A solid vote on this resolution today will send a clear message to the conference committee: Do not miss this opportunity to end the unfair practice of granting free deposit insurance to banks with foreign deposits.

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. CONRAD. Mr. President, I rise today to express my strong support for Senator KOHL's sense-of-the-Senate resolution regarding foreign deposits. This amendment makes it very clear that the current deposit insurance system is unfair and must be changed. Senator KOHL originally intended to offer an amendment to strengthen the fairness and soundness of our deposit insurance system by assessing foreign deposits and nondeposit liabilities for deposit insurance premiums, and I planned to cosponsor that amendment because it addressed a fundamental unfairness in the way deposit insurance premiums are now assessed.

Currently, banks are assessed a flat rate insurance premium only on their domestic deposits. No assessment is charged for foreign deposits. Under this system many large banks with huge foreign deposits are now paying insurance on only a fraction—and in some cases a small fraction—of their total deposit base. Yet under the too-big-to-fail policy of the FDIC every cent of these deposits—both domestic and foreign—is routinely covered by our deposit insurance system when these banks fail. Thus, even though they pay less than their fair share of insurance premiums, large banks receive more than their fair share of insurance coverage.

Meanwhile, smaller and community banks do not accept significant foreign deposits. As the sponsor of this amendment, Senator KOHL, has so aptly put it, these banks do not have offices in the Bahamas to accept deposits. Because the vast bulk of their deposits are domestic deposits on which insurance is assessed, community banks—in marked contrast to their larger competitors—pay deposit assessments of virtually their entire deposit base. Yet, unlike the big banks, small banks cannot expect to get anything but the bare minimum of coverage if they should fail.

This means that small banks in North Dakota and across the country are subsidizing insurance coverage for large money center banks and their foreign depositors. Even though North Dakota banks have cost the Bank Insurance Fund virtually nothing, their assessments have skyrocketed over the last several years to finance the bailouts of their much larger competitors—including coverage for hundreds of millions of uninsured foreign deposits which the FDIC chose to make whole under its too-big-to-fail policy. If this is not changed, these safe, sound banks in North Dakota will continue to pay inflated premiums to pay for the failed risk-taking of these large banks.

Mr. President, this is not fair. And it is not sound. By giving large banks a much smaller relative interest in the level of deposit insurance premiums, it does nothing to encourage large banks or their foreign depositors to take fewer risks.

The amendment my colleague from Wisconsin, Senator KOHL, originally intended to offer remedied this unfair and unsound system by treating all liabilities equally, so that small banks would no longer subsidize the insurance coverage of the large money center banks. And it helped to ensure that the burden of paying for bank failures did not fall unfairly on community banks or taxpayers. By assessing premiums on the same deposit base for all banks, it would have ensured that small community banks would not bear more than their fair share of the burden of bailing out big banks and their foreign deposits. And by increasing funding for the Bank Insurance Fund, this amendment would have reduced the likelihood that taxpayers would have to pay for bank failures.

Mr. President, I supported this proposal because I think it would have been the best way of ensuring that no uninsured liabilities are covered under the too-big-to-fail policy. I still think that this would have been the best policy, and I think that the Senate would have adopted the Kohl proposal because it is the best way of ensuring that the current competitive disadvantage is removed from community banks.

However, Mr. President, the reality is that such a provision would most likely have been dropped in conference. For that reason I am supporting the compromise that Senator KOHL has worked out with the Banking Committee. The compromise strengthens the section of the bill regarding coverage of foreign deposits under the too-big-to-fail policy by requiring the FDIC immediately to impose a special assessment on all foreign deposits sufficient to recover any loss that the FDIC incurs through such coverage. It is my hope that the reformed too-big-to-fail policy will prevent the FDIC from bailing out foreign deposits. But past history and the realities of the structure of our financial system suggest that, despite the reforms in this legislation, the FDIC may at some point have to cover foreign deposits at large banks in order to avert the collapse of our financial system. The Kohl amendment makes clear, however, that this will not be a free ride for the large banks and their foreign depositors, that smaller community banks will no longer have to pay an unfair share of the costs of such coverage of foreign deposits. Instead, the Kohl amendment makes clear that foreign deposits themselves will—as they should be—the source of funds to cover any bailout of foreign deposits.

Mr. President, I remain unhappy that foreign deposits might still be covered indirectly under the too-big-to-fail policy when no premiums have been assessed on these deposits. However, as I see it, we have two choices. We can support the compromise the managers of the bill have accepted and the sense-of-the-Senate resolution that this compromise be retained in conference. Or we can win a symbolic but meaningless victory by insisting on assessing foreign deposits only to have such a provision removed in conference. This latter course would leave us with no progress whatsoever. I believe it is more important to make significant progress toward redressing the current unfairness by supporting the compromise than that it is to win such a symbolic victory. For that reason I am supporting the compromise and the sense-of-the-Senate resolution, and I urge the conference committee and the regulators to ensure that no uninsured foreign de-

posits are covered by deposit insurance unless those deposits are assessed fair deposit insurance premiums for that coverage.

Mr. RIEGLE. Mr. President, will the Senator yield at this point?

Mr. KOHL. I yield.

Mr. RIEGLE. Mr. President, we have now established that we will vote on the Senator's amendment. There are a number of Senators on both sides who are flying back in at this hour from their home States. And so if the Senator is agreeable, I would like to be able to stack the vote later in the afternoon, probably sometime around 4:30 p.m. or later at a time we agree on and the majority leader will concur in, and then we will place other votes where the votes are ordered in sequence.

But the vote on the amendment of the Senator from Wisconsin will come first. If we would agree with that, that would be very helpful.

Mr. KOHL. I appreciate and agree with that.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DIXON. Mr. President, I wish to send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to laying aside the pending Kohl amendment for purposes of the amendment?

Mr. DIXON. I ask unanimous consent that the existing and pending amendment be laid aside for the consideration of this amendment.

Mr. D'AMATO. Mr. President, if I might, I believe the Senator from Iowa was waiting to speak on the Kohl amendment.

Mr. DIXON. I apologize to my friend from Iowa. I thought Kohl amendment was concluded by the colloquy that took place between my friend, the manager, and the Senator from Wisconsin. But if my friend from Iowa wanted to speak on that amendment, I will yield, of course, until this amendment is disposed of. I thought my general understanding was we concluded everything and we vote on it later this evening.

I will yield to him to continue his remarks, with the understanding that I may then be recognized again, without losing my right to the floor for the purpose of offering another amendment.

The PRESIDING OFFICER. Is there objection?

Mr. RIEGLE. Reserving the right to object, only to ask then, are we clear that the Kohl amendment; that is now the basis of the unanimous consent, will be temporarily set aside to be voted on later so that other amendments will be in order after these comments are made?

Mr. DIXON. May I say to the managers, Mr. President, I have no objection to voting upon mine later in the day, as well.

The PRESIDING OFFICER. That is the understanding of the Chair.

Under the unanimous consent agreement that has been propounded by the Senator from Illinois, as the Chair understands it, the Senator from Iowa is to be recognized for the purpose of addressing the Kohl amendment, and immediately thereafter the Senator from Illinois is to be recognized for the purpose of offering his amendment.

Mr. DIXON. May I have unanimous consent to set aside the managers' amendment, or whatever amendment is pending, so that we may go to the consideration of mine?

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

Mr. RIEGLE. I might just say for clarification, the only amendment now pending is the one from the Senator from Wisconsin, which will be voted on but has been set aside. And then, I gather, after the Senator from Iowa speaks, or anyone else, on this issue, then the Senator from Illinois will be recognized to offer his amendment.

The PRESIDING OFFICER. Without objection, that will be the order.

The Senator from Iowa [Mr. GRASSLEY] is recognized.

Mr. GRASSLEY. Mr. President, I thank you, and I thank the Senator from Illinois for his courtesy.

I also rise in support of the Kohl amendment. I am a cosponsor of that amendment. I want the body to know, however, that in actual fact, I am not satisfied with only what is in the Kohl amendment. I am not satisfied with only what was in the technical amendment accepted by the bill managers. Obviously, I was not satisfied with what is in the original bill. I was a supporter of the original Kohl proposal, which will not be offered now, which would assess foreign deposits on the same basis as all other deposits that are assessed.

I state my position, being a purist in this area, because I have been frustrated over the last several years that we have a large amount of money out there that is not paying FDIC insurance. I think it is an issue of fundamental unfairness to American domestic deposits, and unfairness to small banks in America, where practically all of their deposits are assessed for FDIC insurance. And then, in a sense, because there is no free lunch in American society, somebody ends up paying for this. The American public at large eventually ends up picking up the bill, because when costs go up, those costs are passed on to the consumer.

So the issue of assessing foreign deposits for the bank insurance fund is an issue of fairness to the American people.

Now, I know the other side of the argument. Opponents of the proposal on foreign deposits assessment continue to raise the issue "international competitiveness."

Now, Mr. President, I do not think there is a person in this body that is not completely for international competitiveness. But I see an overriding concern here, and that is that we have a crisis nationally. While we are slowly coming out of the most recent recession, we are still dealing with its side effects, such as high unemployment in certain areas of the country.

It seems to me that we cannot be competitive in the world market if we are not strong here at home. And the banking system of the United States, particularly in the rural communities of America, has something to do with the economic strength of our domestic economy. So, that is why the issue of assessing foreign deposits is so important.

As a Senator from Iowa, I am obviously concerned with the small community banks, not only in my State but in every rural region of America. Recent increases in bank insurance fund assessment rates have been harmful to these independent banks. In 1990, as we know, banks were assessed just 8.3 cents for each $100 deposited. This rate then went up to 19½ cents in 1991, and most recently, to 23 cents. That is an increase of almost 150 percent in just 2 years. When a small business is dealing with tight profit margins, this additional burden can be devastating. And in the case of banks, the effect is not just devastating to the strength of that local bank, but in turn it has a ripple effect through the economies of rural America.

What business, Mr. President, can afford increases of 150 percent in just 2 years and still be competitive? The thing that makes this increase particularly unfair is that it is applied unequally. And it is unequal because banks with foreign deposits do not carry an equivalent burden but get an equal benefit.

Mr. President, this is the issue before the Congress today on competitiveness in our country. So let us look at the issue.

According to the FDIC, 51 percent of the deposits of America's nine largest banks are kept in foreign markets. Since the FDIC has a de facto policy of protecting foreign deposits also, this means that big banks are getting 100 percent protection and only paying for 49 percent of it.

Now wouldn't we all like a deal as good as that deal?

But is that fair? I believe it is not fair. In the period between 1982 and 1988, small community banks were allowed to fail in record numbers. Just look at the numbers. During that same period, only two large banks were allowed to fail. However, the FDIC allowed over 200 small banks to fail. In my own State of Iowa, 39 banks were closed.

What we need to remember is that small banks are the lifeblood of the

community, the economic lifeblood of our small communities. Small banks make loans to rural farmers and to small business people. It is not the large international banks, which have half of their deposits overseas, that make loans in rural America. It is the local community bank that keeps its money at home.

We hear a lot about rural economic development. Well, here is a chance to support rural economic development by making the insurance system of our Nation's banks equitable. So I guess I am tired, in this context, of hearing of international competitiveness from banks that do not invest one red cent in the small businesses of our nonmetropolitan areas. We have to think of national competitiveness also.

Furthermore, when we allow this unfair burden to rest on community banks, the cost is eventually passed on to consumers. These consumers are all constituents of yours and mine. In this time of increased unemployment and tight budgets, any additional burden on the consumer is difficult and negative toward the economy.

We have considered the issue of assessing foreign deposits several times in the last few years. I think it is high time that we did the right thing for competitiveness for the folks at home and make the insurance system treat all deposits the same.

Of course, as I said, I am very disappointed that the original Kohl proposal is not going to be offered. I think it was a good proposal. I supported it then, and I would be supporting it if it were offered. However, the goal that we want to reach is to simply say that only deposits that pay premiums will receive insurance.

How many of us would like to have insurance for free? Well, there are a lot of deposits in our country that in a de facto way have this free insurance.

So I am going to support the proposal before us. I hope that there is a strong vote for this sense-of-the-Senate resolution. And I hope that somewhere in our administrative process, where bank regulators and financial institution administrators have some leeway, that they will take a strong vote on this Kohl sense-of-the-Senate resolution and use it as a lever to make sure that we get maximum assessment of foreign deposits—not with a goal in itself of just collecting that money but with the goal to see that all banks pay a fair share toward the bank insurance fund.

I yield the floor.

Mr. D'AMATO. Mr. President, I ask unanimous consent I may be permitted to proceed for 3 minutes as in morning business and then the Senator from Illinois would be in order to follow, without his losing any of his rights pursuant to the previous agreement.

The PRESIDING OFFICER. Is there objection?.

Mr. DIXON. I have no objection to that if I am required to yield only for 3 minutes under a unanimous-consent agreement where we return the floor to me, Mr. President, for the purpose of offering my amendment.

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

The Senator from New York [Mr. D'AMATO] is recognized for 3 minutes.

CREDIT CARDS

Mr. D'AMATO. Mr. President, there is an old axiom in law school. It says, "If you have the facts, pound the facts; if you have the law, pound the law; and, if you have neither, just pound the table." That, Mr. President, is what we heard—a lot of pseudo-economists, some who claim to be economists, some who were retained by the banks, some who work for the bankers, and some who are the best friends of the bankers, including some people who ought to know better, some who are in high places in this Government.

These people attributed Friday's drop in the stock market, without equivocation, to the legislation that was passed in the Senate on floating credit card interest rate caps. Not once did I hear the Secretary of the Treasury talk about the fact that the double witching hour, which took place at 3 p.m., on Friday, brought about the biggest bulk of that market collapse. Not once did we hear talk about the biotech stocks, which have been overinflated, and some of which dropped as much as 38 percent in that 1 day. This had nothing to do with credit cards. Not once did we have an analysis of the facts. What we heard was a lot of pounding on the table. Not once did we examine who the big board loss leaders were. If we did, we would have seen Aetna, Boeing, IBM, and General Motors. How did the drop in these stocks have any connection to credit card legislation? Aetna dropped because the company had an additional $1.3 billion in loan loss reserves to set aside.

Mr. President, this Government has pursued a policy to lower interest rates, resulting in the lowering of the cost of money to the banks. The discount rate has dropped almost 7 to 4.5 percent. The prime rate has come down to 7.5 percent. This has all been done in efforts to stimulate the economy out of the recession. When I hear leaders of this country say we are not in a recession, I say, "Wake up and find out what the real world is about," because we are in a recession and banks are charging consumers unnecessarily high rates of interest on credit cards so that the banks can bail themselves out of bad loans. This gouging the middle class simply is not going to help the recession. That is what the credit card legislation was intended to help.

The Chairman of the Federal Reserve Board sent to Congressman WYLIE a letter that has been widely circulated. He says:

The Board believes that the functioning of the U.S. economy is served best when credit is allocated through competitive market processes, rather than being subject to artificial constraints.

Mr. President, I ask unanimous consent that the letter be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. D'AMATO. I agree with Chairman Greenspan. I wonder where the Federal Reserve Board has been and why it is that we do not have that truly free economic competition taking place. It should be taking place. That is why this Senator was forced to offer legislation.

If there was free economic competition, 7 out of 10 of the largest issuers of credit cards would not charge the exact same interest rate, 19.8 percent. Where are the regulators? Tell me about competition. There has not been any competition because the little guy, the working middle-class guy with good credit, has been forced to pay these high interest rates on his credit card debt. The consumer has been gouged to help those banks that have made bad loans all around the world. In return, the working middle-class consumer has given these banks profits that are unconscionable.

I yield the floor and I thank my friend from Illinois.

EXHIBIT 1

BOARD OF GOVERNORS,
FEDERAL RESERVE SYSTEM,
Washington, DC, November 15, 1991.

Hon. CHALMERS WYLIE,
Ranking Minority Member, Committee on Banking, Finance and Urban Affairs, Washington, DC.

DEAR CONGRESSMAN: I am responding to your request for the Board's views on legislation to place a statutory cap on credit card interest rates. The Board of Governors has considered the proposed cap and believes it will have a number of possible serious adverse effects on the economy and financial institutions. The cap would greatly reduce net returns on issuing many credit cards. In response, lenders undoubtedly would cut back sharply on the availability of credit cards, especially to borrowers who are more likely to encounter problems meeting payment obligations. Such actions could adversely effect consumer spending and the economy. The negative effect on banks' earnings will put further pressure on their ability to generate or raise capital, at a time when concerns about capital positions are already contributing to restraint on bank lending.

Considerable information about the various credit-card plans already is available to consumers, enabling them to select cards with the most attractive features, including low rates. In general, the Board believes that the functioning of the U.S. economy is served best when credit is allocated through competitive market processes, rather than being subject to artificial constraints.

Sincerely,

ALAN GREENSPAN,
Chairman.

COMPREHENSIVE DEPOSIT INSURANCE REFORM AND TAXPAYER PROTECTION ACT OF 1991

The Senate continued with the consideration of the bill.

AMENDMENT NO. 1352

Mr. DIXON. Mr. President, I believe the amendment is at the desk, is it not? I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Illinois [Mr. DIXON] proposes an amendment numbered 1352.

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

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

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. DIXON. Mr. President, I rise today as chairman of the Consumer and Regulatory Affairs Subcommittee of the Banking Committee to offer an amendment to streamline the board structure of the Resolution Trust Corporation and to make other needed reforms. My amendment, quite frankly, is identical to S. 1943, which Senator RIEGLE and I introduced on November 7. Senators DODD, SANFORD, GRAHAM, WIRTH, and Senator KERREY, of Nebraska, are cosponsors of this legislation.

At the outset, I want to make it clear why I am offering this amendment to this bill and not on the RTC funding bill. The reason is very simple, Mr. President. We are running out of time. This is very likely the last full week of the Senate session. We have not yet taken up the RTC funding bill, and by the time we get to it, in my opinion, there will be no effective opportunity to amend that bill. We are going to get into the crunch around here, and we are going to be concerned about getting out, and a lot of momentous decision, just as they are at the end of every one of our sessions, will be disposed of without adequate consideration of all the elements of what we do.

If we are to reform the RTC, I say we have to act now on this bill.

I observe the distinguished Senator in the chair is a member of the committee.

Everybody who knows anything about this knows the RTC badly and desperately needs reforming. For some time, I have been very concerned about the progress of the Resolution Trust Corporation. There have probably been more speeches on the floor of the Senate about that issue in this session than any other question.

I have become more and more alarmed that the RTC is just not operating efficiently. I am equally distressed over the RTC's apparent lack of accountability. In hearings, both before the subcommittee that I chair and the full Banking Committee, I have listened to testimony from representatives from small businesses, from academics, and from the RTC officials, and these hearings demonstrate conclusively and overwhelmingly that the administration's handling of the savings and loan debacle has been poorly conceived and inadequately executed.

Most important, the source of the trouble, according to many, is that the original oversight structure of the RTC was poorly designed by the administration, creating unclear lines of decision-making and diffusing needed accountability. My friend, the distinguished senior Senator from Colorado, Senator WIRTH, has what he calls the "spaghetti board." It is the most confusing line-of-authority board ever invented or conceived by the mind of man. It represents how the RTC function takes place now. If ever there was something designed to confuse everybody and hide the ball so nobody knows what is going on, it is the Resolution Trust Corporation, Mr. President.

In hearing after hearing, in letter after letter, in town meeting after town meeting in my State, citizens have voiced their concern over the RTC. The horror stories are mind-boggling. It would take the afternoon—it is 2:30—to tell you the horror stories that have happened under the RTC. Regarding a sale that took place in Texas of the assets of a warehouse valued at $3.5 million; by the time they got finished they turned over to the RTC $50,000. An agent of the RTC had four automobiles to sell, kept one, gave three to friends. The horror stories are mind-boggling. And, sadly, I do not see them diminishing, Mr. President. Two full years after the creation of the RTC, it is still an unwieldy bureaucracy, staffed with career bureaucrats.

Incidentally, most of them do not know how to get rid of real estate and have little understanding of private sector needs.

I say the time to do something about this mess is right now. This Senator and other Members have listened to the repeated assurances that changes would be made and that goals would be met. I have news. That is no news to the many frustrated individuals throughout this country who have been watching this. The assurances keep flooding from the RTC but changes and progress are simply trickling out.

Remember, it was the administration that set up the Resolution Trust Corporation. Mr. President, it was the administration that first told us that the bailout would cost the American taxpayers about $19 billion. Then the administration came to one of our hearings and said, no, we are going to have to reevaluate that. It now looks like $40 billion. They seem to double it every time they come in—I am afraid they will come in one more time, Mr. President. Then they came in and said we got that wrong, $80 billion. And, finally, now they said $160 billion American.

It is the administration that keeps telling us not to change the structure of this RTC. The administration asked Congress to accept their plan for the RTC. But one look at the escalating cost to the taxpayers, exacerbated by the poorly constructed and poorly run RTC emphasizes, in my view, Congress' responsibility to take corrective action, and adding this amendment that I have sent to the desk to this banking bill is just the sort of corrective action Congress ought to take and should take.

Last summer, I introduced a bill to create the position of a chief executive officer of the RTC. It was my hope that we could find a strong independent business person with proven success in the private sector to turn this thing around. Equally important was the goal of increased accountability. I wanted one person to make the decisions. One person to be held accountable. I wanted the buck-passing and the finger-pointing to end. I wanted one person you could praise, one person you could blame, somebody in charge of the store.

After I made that speech, for a long, long time—we had a hearing one time and Secretary Brady was there, the Secretary of the Treasury. He said, you know, you are right. We thought it over, you are right. Since you are right we are going to appoint a chief executive officer, and they have done that now. They selected a CEO for the RTC, and I applaud that. That was a move in the right direction.

The creation of an RTC CEO was an important first step. However, it is not enough, Mr. President. There is concern that the present RTC oversight apparatus might be so diffused and so sprawling as to rob this very CEO that they have appointed of any real potential for success. Instead of establishing a clear link of responsibility, the authority and the accountability of the policies and the operations of the RTC are still divided between two boards. By law, the oversight board is to be held accountable for the RTC, while exclusive authority for management of the corporation is vested in the FDIC. The RTC Board is subject to oversight board supervision for some of its functions but not for others, and clearly this is a confused and an inefficient system.

Recently, the administration proposed a plan to modify the existing dual board structure and this was to be accomplished in part by adding new members to each of the two boards, and then slightly modifying the power to the oversight board.

Unfortunately, Mr. President, this is just a cosmetic face-lift. It does not do anything to attempt to repair the

flawed features of the RTC structure. It is nothing but a facelift, a facelift for the biggest problem in America. And make no mistake about it, when you talk about the economy and you talk about this recession that everybody knows is out there, part of it is this tremendous inventory of assets held by the RTC killing the real estate market, depressing values.

On October 23, I chaired a hearing on the restructuring of the RTC, Mr. President. I am not sure that you were there, but a number of the members of my subcommittee were there. I want to tell you something. The testimony was direct and it was compelling. Dr. Harold Seidman—incidentally, I do not think he is any relation to Bill Seidman. My staff affirms that, he is not. Dr. Harold Seidman, senior fellow at the National Academy of Public Administration, a nonpartisan organization, stated, and I quote directly, Mr. President:

> We do not believe these basic deficiencies in the present structures can be cured by half-way measures and mere tinkering with the membership and functions of the oversight board.

He said do not do halfway measures, do not just tinker, which is what they have done in the House bill that the administration wants. Here is what he went on to say, and I quote directly:

> The creation of a dual board structure for a U.S. Government corporation is utterly without precedent—

Do you hear that, Mr. President?

> utterly without precedent and cannot be justified as necessary to maintain sound management and protect the public interest.

Think of it, the biggest problem in the country is being addressed in a situation utterly without precedent in the history of the Nation.

Mr. Alan Dean, another expert in public administration testified—I quote directly. Now listen to this comment of Mr. Alan Dean, an expert in public administration, a direct comment:

> I have never seen such a jerry-built . . . unsatisfactory structure as that which now exists for the RTC framework.

Now how do you like that?

Mr. President, for some time, I was a little deferential to the administration's views on the RTC structure. But from hearing testimony and complaints over time, this Senator has become convinced that oversight by two boards results in unnecessary confusion and terrible conflict. The administration argues that a two-board structure enhances accountability. But the actual effect, of course, is just the opposite. With two boards, no one is responsible and no one is accountable.

I am determined to give the new RTC CEO, Al Casey, the best possible chance for success. Incidently, I think he is a classy man. Al Casey's background is a sound one. His business experience leads me to believe that in an unfettered capacity as the CEO with the power to do the job and to control the board he can be a huge success. We have to give him the necessary authority to do his job, Mr. President, and then we have to hold him accountable for how he does it. Make Al Casey the man, give him the power, give him the authority, give him the control that everybody does in corporate America.

I am a great believer in the power of one qualified individual to effect significant change. I really believe that can happen. I really believe Al Casey is an individual who can make changes and who can put the RTC back on the right track, but we must be sure that his hands are just not tied.

Mr. Dean stated this:

> To pretend that a confused multiboard structure will be a help to Mr. Casey is simply not the case. * * * I think any objective observer would note, there's absolutely no reason for these two boards, nor would it be difficult for Congress to provide for their elimination.

Mr. President, that is what this amendment does. It addresses many of the RTC's inefficiencies and problems. This amendment simply calls for a single streamlined board of directors chaired by the chief executive officer of the Resolution Trust Corporation. I believe this is one more crucial step in ensuring the S&L cleanup.

As I have said before, I do not believe that all of the RTC's problems will be instantly solved. They will not be. I do believe that a strong CEO serving as chairperson, a chairperson in charge of a streamlined board can begin to take action to solve the bureaucratic nightmares which have plagued the RTC.

Mr. President, this is the only chance the Senate is going to have this year, Mr. President, to reform the RTC's structure. There will be no other opportunity to pass this amendment, and every day we delay reforming the RTC is another day we make the thrift debacle needlessly more costly. So I strongly urge my colleagues to act to give the RTC the kind of structure it needs to do its job right. I urge the Senate to adopt this amendment.

Now, let me simplistically close by explaining to my colleagues what I want to do. What we have now is two Boards. We have on the boards every busy man in the Government. We have the Secretary of the Treasury; we have the Chairperson of the FDIC; we have the Secretary of HUD. I am missing somebody. Anyway, it is full of busy people who do not have time for this.

We have two Boards, unprecedented in the history of this Nation.

Then we have a CEO they picked now; the administration picked the CEO. We have never confirmed that CEO. The CEO does not run it. He works for them. I have been in a lot of businesses in my life and I have been in politics and Government a long time, and you pick a guy and you say you are in charge but we picked you and we can retire you, he works for you. He does not run the cotton-pickin' thing.

So you have now two Boards that will not work. That is what you have. You have a CEO who wants to work. I want to say publcily as a member of the loyal opposition here, a man that in every respect I think is a sound, good man, that can do this job and has the business background and the understanding and the intellectual capacity and the integrity to do a job is working for them.

Well, what do we do in this bill? It is a simple bill. It takes that CEO—and I want to say here publicly I am for Al Casey, so we are not trying to get rid of Casey. It takes the CEO and says let the Senate confirm him and put our imprimatur on his work.

Then it creates only one Board, not two, and that Board consists of five people: The Chief Executive Officer, Al Casey, would be the Chairman. Now he is the boss. He has Senate confirmation and he is the Chairman of the RTC Board, and he is the boss. You have the Secretary of the Treasury, and the Chairperson of the FDIC. Incidentally, they are both very busy people so probably they would not come to most of the meetings. That is OK because we say you can send a representative to sit at the meetings, act as your agent; you do not need to be there; the boss is Al Casey, the Chairman and CEO anyway. And then two public members of the Board picked by the President. A nice, tight, sound, strong, little Board with a tough Chair and a chief executive officer confirmed by the Senate.

Now, Mr. President, if we do that, this RTC thing can be solved. And I think the minute that is done, the message for the financial community, the real estate markets, and a lot of other places will be a strong positive one.

I only say this in conclusion, Mr. President. I believe, if there is one thing we have to address in the Congress, to directly effect a thing in our economy that is eating at the innards of our economy like a cancer, it is to reform this RTC Board and make it work.

I am delighted, Mr. President, to have a vote on this at any time today, later this evening with my colleagues from all over the country where they are attending to their duties in their home States. At the appropriate time, I will ask for the yeas and nays, Mr. President. I can do that now.

I do yield the floor. I see my friend, the distinguished Senator from Utah, who may have occasion to differ with me on this.

The PRESIDING OFFICER. The Chair recognizes the Senator from Utah [Mr. GARN].

Mr. GARN. Mr. President, I do not often disagree with my colleague from Illinois, but I certainly do on this particular amendment.

My first objection would be this is simply not the bill to do it. We are having a difficult enough time trying to come up with a banking bill that is literally falling apart both in the House and on the Senate side day by day. While falling apart with the good provisions, it is picking up a lot of very bad public policy, the worst of which so far is the interest rate caps on credit cards. I would say to my colleague from New York that I am not one who would stand here and say the entire reason for the stock market drop last week was due to this amendment; there were other factors. But it was certainly part of it.

But beyond that, if I have ever seen a populist amendment on this floor in 17 years that was such terrible public policy, that is it. I would suggest, if we are going to play that game, we can start interfering with the free market, then I think automobiles are too high, and I suppose we ought to have an amendment out here to cap the price of automobiles. How about housing? How about gasoline? Let us make it a dollar a gallon. That would be a nice round number. It causes a lot of problems for people in my State with long, long distances and a small population, we drive a long way.

I do not know, in the Soviet Union they talk about a free market. We do not seem to understand it here. I understand the politics of it.

I am little bit embarrassed that I was the only one on either side of the aisle last Friday who even spoke against it. It disturbed me almost as much as only 19 people would vote against it. But if we want to add to the banking problem, of course, the Congress of the United States at least in this Senator's opinion is the primary culprit. There are a lot of other players as well.

But if the press ever really wanted to do an investigative job, they would go back over about the last 15 years and look at legislation, what has been done and has not been done, and they would find out the bad public policy that has come out of this body and why the taxpayers are paying so many dollars out there for those errors.

But to play with interest rate ceilings and say we are for free markets around this place, I do not know, maybe we will enjoy watching some of the major banks go down the tubes if we do this. Maybe it will be fun to have more S&L's in the RTC that we are talking about right now where the most valuable asset they have left is their credit card business. So we are trying to sell these, trying to sell the property and we devalue that franchise and then cost the taxpayers some more money. That is what we are doing in that stupid, asinine amendment that was passed last week, all in the name of popularity so that we can tell people out there how great we are.

We are really great. Interest rates are 19.8. We are going to cut them—535 wonderful wizards of the Potomac, arrogant, egotistical, because they were smart enough to convince their constituents to elect them and we are going to sit back here and make these kinds of policy decisions? Then do you know what we will do? We will hold hearings and blame somebody. If that stays on the books, and we have some more failures and some more costs to the taxpayers, we will hold hearings and blame somebody else, anybody but ourselves.

This body is the greatest scapegoat artist in the whole world. Anybody they can find to blame, except ourselves, we will do it. I find it unbelievable that we participate in public policy decisions like that with the old wet finger in the air. Is that all that motivates this body anymore? We do not make any decisions around this place except how it affects our next election? That is what is driving most of the decisions on this banking bill. How does it look?—not is it good public policy; not what is the impact on the taxpayers—because we are such an amorphous group. Oh, blame the administration, whoever the administration is. It does not matter whether it is Republican or Democrat. Congress is going to find somebody else to blame.

Well, now we have an amendment that we are saying "this is the only place or time we can do it." No; that is not correct. We have to fund RTC before we leave or we are going to repeat 1986 all over again. When Congress failed to pass the $15 billion FSLIC recap, it would have dramatically reduced the bill that they are now paying. If we left this session—this Senator wants to leave more than anybody else by Thanksgiving—but we simply cannot adjourn, as we did in October 1986, without providing the funding for the Resolution Trust Corporation. We have been irresponsible before. We will not be this time if we have to stay until Christmas Eve.

So there will be an opportunity to talk about RTC restructuring on the RTC funding bill—not on the banking bill—and confuse it with BIF and all the other problems we have with this bill.

So there will be an opportunity, I say to my friend from Illinois. We have to, if we have to be here on Thanksgiving Day and Christmas Eve. This Senate and this Congress should not adjourn if we do not do anything else but provide BIF recap and RTC funding.

The evidence is there from 1986. That oversight of "so anxious to get out of town" cost the taxpayers of this country tens of billions of dollars; tens of billions of dollars because we failed to do that. This Senator says there is going to be another opportunity. There has to be. We cannot go home until we have taken care of these two problems.

To the substance of the amendment, another little bit of history, I think, is important. The chairman of the Senate Banking Committee and I stood on this floor earlier this year, when we had the last $30 billion approved of RTC funding. Both of us stood on the floor and said, "No more unless there is an improvement in the authorization of that body and some meaningful restructuring." We both said it over and over again in the Banking Committee; that we would not approve a dime more without restructuring.

So I think the record is very clear on my position and on the chairman's position at that time. I think it is also very clear that the Chairman of the FDIC, Bill Seidman, said there had to be some changes. And to be absolutely candid about it, there was disagreement. The administration simply said we will hire a new CEO, get a really good one, and that is sufficient.

The chairman and I said, "No, that is not sufficient." Bill Seidman said, "No, that is not sufficient." And it dragged on all through the spring and summer.

Finally, they were convinced. Bill Seidman had some internal battles there over what kind of restructuring we needed.

First of all, I would say that the Senator from Illinois is absolutely correct. I agree with most of what he said about the failures of the RTC. But who created the RTC? The Congress of the United States and FIRREA.

There were some of us at that time who brought charts out here on the floor, and said, "Look at this ridiculous structure; look at the overlap and duplication; look at some of the provisions we have placed in this bill as far as conflict of interest, "And certainly we have to avoid conflict of interest. But we made it virtually impossible for anybody to buy a failed thrift even if they had an account in the thrift before that."

Some of us talked about that and said, "This is going to cause a lot of problems." I am sorry we were right, and that 2½ years later we are in the mess we are in. You get a little bit frustrated and a little bit angry when you come to the floor when some of these things you said 2½ years ago—and nobody listened—takes place. And when there is a big mess, Congress wants to blame it on somebody else.

How do we escape? How does Congress escape when we pass the laws? I guess we can say, well, the President made us do it. How does he make us do it? We have three independent branches of Government with separation of powers. He cannot make us do anything unless he vetoes and we override it by two-thirds.

So I think we need to look at who set this organization up to begin with, and who has been criticizing it all along. So some of us forced the administration against their will, and Bill Seidman, to come up with some changes.

We said, "Let us do as much as we can without disrupting the organiza-

tion." I did not favor two Boards to begin with. But I think we need to recognize where we are in this process.

The amendment would abolish the RTC Oversight Board and make the RTC an independent agency insulated from administration oversight. Under this amendment expenditures of up to $160 billion of taxpayers' funds and disposition of huge amounts of property and securities would be in the hands of a fully independent board with independent oversight.

If the taxpayers' funds are being spent, the taxpayers should have a role. This cannot only be achieved through an oversight board that is part of an administration and accountable to the public. Expenditures of this magnitude must be subject to oversight by the Secretary of Treasury and not agency bureaucrats. The Comptroller General has stated on numerous occasions that there should be an independent RTC oversight.

Most recently, and on October 8, 1991, he said, "We (the GAO) would like to see included in any restructuring, strong oversight by an entity independent of day-to-day operations of the RTC." Special attention is needed because of the magnitude of both the overall operations of RTC and the funding required. An oversight board meets this criteria and could help assure that the effort does not get off track. Creation of the new board will slow down the RTC just as it is moving more rapidly. Sales of repossessed properties are accelerating. Progress made to date will be slow to stop until an RTC staff waits for policy guidelines for the new board.

I think that is one of the most important reasons to oppose this much restructuring. If we were starting out at the beginning in FIRREA, I suspect I might be supportive at least in general principles, the concept of one board as I did at the time. But after 2½ years of not doing the job very well, when they are finally beginning to move on disposal of property, and finally have Mr. Casey—that is a man with a very fine track record, and I have great confidence that he can get hold of this organization—then we are going to change the structure enough that I know what is going to happen. While they get the new structure in place—the new organization—we will lose another 6 months to a year, and then we will be back on the floor condemning RTC for not moving rapidly enough.

So, at the outset, I might favor this proposal, but certainly not in the middle of the stream. That is why I feel the administration's proposal is a good compromise. Important decisions I believe will be delayed and it will increase taxpayers' costs. This additional delay could require the extending of the life of the RTC beyond 1996. There is an alternative plan that has been developed by former Chairman Seidman of the FDIC and the administration. The plan is supported by the RTC and by Al Casey, the new RTC chief executive officer, and by the administration. It is less disruptive than the proposed amendment. According to people most likely to know, it will do the job.

Mr. Casey is certainly satisfied with it. We should not ignore the Seidman plan by adopting this amendment. The Comptroller General warned Congress in his October 8 letter, "Let me emphasize that in pursuing restructuring"—let us back up. Mr. Bowsher and the GAO favored restructuring as the chairman and I did—but he said,

> Let me emphasize that in pursuing restructuring, careful attention needs to be given to avoiding changes or delays that would be counterproductive to the progress RTC is making in improving its operations and asset disposition strategies.

Former FDIC Chairman Seidman said in his testimony before the Senate Banking Committee on October 24, 1991:

> If you go to one board, you will, I think, disorient things until that new board gets in place and gets its rules and finds out what it wants to do. Given where we are today, I think the way it is set up now is sound.

Again, I make the point that maybe this would have been a good plan in the beginning. In the middle of the stream, changing horses to this extent, I think, will only cause problems. I know the Senator from Illinois well enough. He certainly does not want that to take place.

After a difficult startup period, to say the least, RTC's performance is improving. The oversight board has recruited a strong, experienced CEO, and has given him the power to do his job. I suggest that we give that a chance. Let us not turn back the clock. The FDIC-Treasury plan makes improvements, but does not cause delay. It is a good compromise. It provides clearer roles for the CEO, the operating board, and the oversight board.

We talk about accountability. Mr. Casey said to me personally—and to other Members, and before the Senate Banking Committee—when asked where the buck stops, and who is responsible, and if it does not work, who do you hold accountable, he said, "Me. Under this revised structure, me. I will be the CEO. I am where the buck stops."

That is sufficient for me, and that is what this Congress asked the administration to do—to get a good, tough CEO. In Mr. Casey, we have that, and we have someone to hold accountable, by his own words. In his words, again: "Me," meaning Mr. Casey. He said, "The buck stops here. I will take the responsibility."

I hope my colleagues will defeat this. I do not know, procedurally, how we will proceed. But, I understand, from some changes that have not been involved in this debate, section 204 costs $130 million to $170 million over 5 years in affordable housing changes; from $580 million to $1.1 billion.

There are no offsets in this amendment. So I think it is wrong from a procedural standpoint, but it is also a violation of the Budget Act, with no offsets for a very large increase in costs.

I yield the floor.

(Mr. WELLSTONE assumed the chair.)

Mr. RIEGLE. Mr. President, first of all, I am a cosponsor of the original proposition of the Senator from Illinois on this piece of legislation, although I did not anticipate, in becoming a cosponsor some days ago, that that legislation would be offered on this particular bill.

Frankly, as much as I support the legislation, I have argued from the beginning that we ought to keep these two issues separate. Namely, we ought to take the banking restructuring issues, both the financing that is required to the Federal Deposit Insurance Fund, as well as the banking reforms, and treat those as a package separate and apart from the RTC issues, both the structural changes there and the financing required for the RTC.

I am still, as I stand here now, of the view that these two issues ought to be treated separately, and not in combination.

I recognize, as well, that we are coming down the track toward the end of the session, and time is short. But I want to make a suggestion to the Senator from Illinois for at least his consideration, because he is a very reasonable man. He has done all the work on this issue through his subcommittee, for which I am most appreciative. I support his conclusions, although I am reluctant to see those issues attached to this bill.

I have a couple of thoughts. One is that I wonder if it would be possible to see, in discussions with the administration, if a proposal along this line would be acceptable to them—not on this bill—but in the course of taking up and doing the RTC funding within the next several days; and if, in fact, a discussion could ensue with them to maybe reach some kind of an understanding on that issue, so that there were some assurances there that this issue would be taken up and would be dealt with as the Senator wishes, but not in the context of this legislation. That might be one possibility.

Another possibility might be to, today, treat this idea—I only suggest this to the Senator for his consideration—treat his amendment in the form of a sense-of-the-Senate resolution for the purpose of seeing where the votes lie on this issue, to see if, in fact, the votes are there in the form of a sense-of-the-Senate resolution. And that, in turn, would not only indicate where sentiment is, but I say to the

Senator that it would also be a very powerful signal to the administration of where the view of the Senate is on this issue.

And if the preponderance of opinion agrees with the Senator from Illinois on this issue—on the substance, as does this Senator—then that is an unmistakable signal there to the administration. Hopefully, that would put them into a frame of mind to sit down with us and work this issue out, so that we can take that very difficult RTC funding vote through here with the changes in structure that I think have to accompany it, separate from this bill, so we do not get this set of issues all rolled up into the conference on the banking reform bill. That would be another avenue that might be available which would pursue the same objective.

I must say, I am concerned today that, having myself taken the position that the two bills ought to be treated separately and on separate tracks, I am very reluctant—even though I am a supporter of this approach—to have this particular amendment added to this bill. I do not think it ought to come in the bill as a formal proposal that would have the force of law, because I think we ought to, as I say, keep these two issues separate.

So I just appeal to the Senator from Illinois, in the course of the discussion, just to think about those options as other ways, other avenues that might be open to achieve the very same objective.

Let me say this to the Senator, in terms of my view: While I have the reluctance to see it attached in the form of law in this bill, I feel just as strongly as the Senator from Illinois does about having it done in the context of the RTC funding. So it would be my intention, as one Senator, to stand with the Senator at the time the RTC funding issue is taken up, to see to it that these reforms, structural changes, are in there. I think they are needed.

That is not to say that the Senator from Utah does not have a right to his point of view on this issue. I think the head of the RTC ought to be subject to Senate confirmation. I think the Senator from Illinois is exactly right on this issue. I think we have too many boards, because we have had everybody in charge, but we have had nobody in charge sufficiently.

So I think that consolidation ought to take place. And I think the person, once confirmed to be the head of the RTC, ought to be the person that is the lead horse on the Board of Directors.

And so my thinking lines up with that of the Senator from Illinois, and I think the work he has done has really laid out a major and necessary structural improvement in the RTC.

So what I am saying to the Senator is that I want to stand with him on that issue, and, in the context of taking up the RTC funding, I intend to do exactly that. I will work as hard as I know how to help accomplish that goal, assuming that we have the votes here in the Senate to do it. In the end, the Senate is going to decide that issue. Obviously, the House will have its view on the issue.

But I say to the Senator, he can count on my support and my help in getting this enacted, but I would strongly prefer that we do it in the context of the RTC bill or take the other avenue that I have suggested with respect to trying to work with the administration or the sense of the Senate today with the idea of making it law on the RTC.

Mr. DIXON. May I respond to my friend, the manager, and to my friend, the manager on the other side?

Mr. RIEGLE. I yield to the Senator.

Mr. DIXON. First, let me make this observation: I hear everything the Senator is saying about the RTC and the funding thereof, and that is the place to do it. But I want to say publicly what I said to my friend when he came over here privately and visited with me while my friend, the distinguished Senator from Utah, was expressing his views.

If we leave here next Tuesday or Wednesday—and my sense is the leadership in both Houses wants to do that—I have to say in every meeting I ever attended either at leadership meetings, where I have the privilege by virtue of my position on this side to attend those meetings, our own conferences, or any other place I ever been, it was the stated intention of the people that run these two Houses, the majority leader in this place and the Speaker in the other House, to get out of here before Thanksgiving.

Mr. President, I have been here a few years now, and I have seen what happens in the closing days. I was in the Illinois Legislature, 12 years in the House and 8 years in the Senate, for two decades before that. I saw what happened there. And when you are getting out of here, these matters of great moment can be given short shrift. You are going to have a bill nobody much wants to vote for anyway. Let us be honest about it. RTC funding is not the most delightful issue in front of my colleagues around this place. I can just hear the desire for a voice vote right now instead of the yeas and nays. Maybe I do not have any problem with that, Mr. President, but I think the opportunities for getting this on that bill are somewhere between slim and none, and I have been here long enough to see a few fast balls go by. I do not mean my friend will throw a fast ball by me, and I know he would not try, but I am of the opinion that if we do not address this now, it might not be addressed.

I want to say further about that. The distinguished chairman on the other side knows that I went along with this for a while. In fact, I said do not change the structure of the two Boards because you will meddle with it and it will stop things and we will not get the job done. Every witness we have had in my subcommittee—I think my friend may have been there some of the time—has said that is all malarkey. Changing the structure of the Board at the top is not going to have anything to do with how it functions out in the field.

I actually have from Dr. Harold Seidman—incidentally he pronounced it "side man," not Seidman, as Bill Seidman, and from Alan Dean their direct quotes here in which they say that it will not affect anything. Here is a direct quote:

> It is simply not true that to cut the remaining ties of the FDIC and get rid of surplus board would be disruptive.

Not true. Far from that. It would make people know it would really work for and give Mr. Casey a type of staff that was really his own. Does Mr. Casey not want to be confirmed? He did not say that. Mr. Casey said, "It will be all right with me to be confirmed." I think he would like that. You simply have a situation here where we have an agency of Government that is created in such a way that it cannot function well.

Now I will say another thing, and my friends know this is true. I said about it being unprecedented. So the administration put a witness on the stand and said, "Oh, there is a precedent for this."

I wonder if my friend from Michigan would listen to this part. I know he has a friend and he is conferring with him. He was instrumental. I say to my friend from Michigan, could I have his attention a moment?

One of the witnesses that came to the committee said, well, there is a precedent, the Chrysler bailout. And my friend from Michigan was instrumental in doing the job that saved Chrysler, for which he is entitled to the great thanks of tens of thousands of working people, I do not know how many, in Michigan and a lot of business interests there and all over the country. And he was there. He said that is not true, the Chrysler board was not a dual board like this at all. You know who said that? The then Secretary of the Treasury, who appeared before my subcommittee as a witness, Mr. Miller said, "That is not true; I ran the thing. You know I was there. We had a Board and Chrysler Corp. had a board, but they did not have two Government Boards overlooking one another."

Mr. Miller said that. He was Secretary of the Treasury. My colleague knows him and served in the Senate while he was Secretary of the Treasury. The evidence is replete that this board is a lousy idea, the way it is now formulated. Every person that appeared before us from Government and from the academic field and the stu-

dents of government said, "Awful, won't work, please change it," and the thing I always worried about, was it being disruptive? Every one of them said, "That isn't true at all." Secretary of the Treasury Miller said that is silly, that will not have anything to do with it. Get it running right at the top.

So, my dear friends, if we walk away from this now at the end of this year, we do not come back until January, we do not do much functional stuff of any significance in the first couple of months. I am not being critical; that is the way every legislative body in the world begins, slowly, in the beginning of the year. We are going to lose the chance to do anything about this. I think it would be critical to the interest of our country to do it before we go out this time, and I do not believe we will get a chance to do it on the RTC funding bill. Something is going to happen. I tell you, Mr. President, the manager, my friend, the Senator from Michigan, whom I appreciate in every particular as a fine Senator and a good friend, it is a mistake if we do not do it now.

Mr. RIEGLE. If the Senator will yield, I appreciate the generous personal comments and especially the reference to the Chrysler loan guarantee some years ago, and I am very sympathetic to what he said. I should add a couple other points. You know this idea has been building for some period of time.

Mr. DIXON. Sure.

Mr. RIEGLE. The Senator from Illinois led the hearings in his subcommittee and took the testimony and built the record and brought a recommendation in here now that is fully supported by, I think, what the facts have been and what the testimony has been.

I should also pay a compliment to Senator KERREY, of Nebraska; Senator WIRTH, of Colorado, because, as they foresaw this problem actually back at the beginning and have argued steadfastly now for the better part of 2 years that this kind of change is needed, and the hearings that the Senator has held, I think, have documented that now very forcefully and very clearly.

The question is: Ought we put it in this bill? Quite frankly, as we tried to talk to the administration about RTC restructuring, we have had a hard time getting our phone calls returned on that issue because they have not wanted to deal with that. They wanted to sort of pretend that it is not necessary. I am of the view, and I may be wrong, but my best sense for it would be that I do not think there are 51 votes here for the RTC funding without a restructuring that goes with it. I am saying 51 votes. There will be some votes here, but I am not convinced there are enough votes to pass it. I do not know because we are not to that vote yet. We have not done any kind of formal vote count. That is just my impression of difficulty of marshaling the votes, and it is going to take votes on both sides. You are going to have to have a blend of votes on both sides to come up with the votes on the RTC funding.

Mr. DIXON. If my friend will yield, if I could interrupt right now, I hear that observation. I do not feel compelled to have the vote tonight. I would have the conferences talk about this tomorrow. This amendment as a bill, you know, as a cosponsorship with the Chair talking to me right now, this Senator that chairs a jurisdictional subcommittee, a lot of fine Senators on this side, I would like to discuss it at our conference as to whether we would hold out and exact, as our price for RTC funding, these things in the organizational composition of the board and confirmation of CEO. And I have no problem about Mr. Casey. I say again now that I would support it.

Incidentally, I want to say that the point—and I know that my friend on the other side is listening—I did not know when I offered this amendment that I was putting in the whole bill. I honestly intended just to offer an amendment that dealt with the appointment of a CEO confirmed by the Senate and a five-member Board that I have enunciated on the floor. I did not mean to drag along the other things we had in this bill. If we come to a vote on it ultimately here, I will strip everything but the central theme of the amendment, which is not as ambitious as the bill which had other programs in it. The Senator from Utah is correct. I did not know that. I apologize to my colleagues.

But, of course, we all know as the sponsor I have the right to amend my own amendment and I am going to, so that it only does what I said, confirmation by the Senate of the CEO and a five-member Board where the CEO is Chairman of the Board, with the Secretary of the Treasury, the Chairperson of the FDIC, and two public members.

Mr. RIEGLE. If the Senator would yield further, let me suggest another idea, and then I will get off of this discussion and let others get into it. Let me make another suggestion.

The Senator from Illinois knows this bill is going to carry on over until tomorrow. He has talked about the two conference luncheons and this will afford an opportunity for that issue to arise. If the Senator tonight were to put his amendment in the form of a sense-of-the-Senate resolution, stripping out the other part, he would not forego his option tomorrow to come back in and offer it again drafted as a change in law, as opposed to the sense of the Senate.

But what that might accomplish is this: I would still like to keep these issues separate if I can. I made that representation in the beginning and I think that is the best kind of public policy here if we can do it. But if there were a test of strength on the issue, which a sense-of-the-Senate vote would do, it would send a clear signal out of here, an unmistakable policy as to where the Senate is.

Mr. DIXON. Will the Senator yield?

Mr. RIEGLE. Yes.

Mr. DIXON. I hear that part. And I know my friend from Mississippi wants to say something and I do not want to pursue this at length. But I only want to observe there, that is all well and done and eloquently said, but I and everybody around here have been around here long enough to know that unless the majority leader and minority leader suggest that when the RTC funding comes up it will come up in a framework where we have plenty of time to offer this amendment and have a full debate on the amendment and have a yeas and nays vote on this amendment, we are going to get into the end of the session crush. And I want to predict publicly the last thing we are going to do on the last day at the last moment, when folks are beginning to shake their chains and say, "My car is outside and I want to catch my plane"—now you listen to what I am telling you—is take up RTC funding. I predict it. And I am not that good a prognosticator, but I am good enough to know when I have seen a place work for a long time what is the garbage that you leave for last. And the RTC funding is the garbage left for last. And I want this in there.

Mr. RIEGLE. I say to the Senator—and I am going to yield because others want to speak—I think these other avenues are ones that merit consideration. In the course of the day, I know the Senator is going to talk with Treasury officials and they ought to talk with him on this issue and see if we cannot work something out. I hope a way could be found that would settle this issue separate and apart from this bill.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. LOTT. I thank you, Mr. President, I will not speak too long here, but maybe give the Senator from Michigan and the Senator from Illinois a chance to talk more about how this can be resolved.

I certainly hope that this amendment will not be offered on this bill at this time. It is not in the form that we originally thought it might take. It was very comprehensive and very long, and, I understand from his comments now, that he would limit that considerably. But I hope he would also take the advice of the Senator from Michigan and either withdraw it for discussion at a later time or later date, maybe even next year. Perhaps the sense-of-the-Senate resolution would be a better approach.

I just feel so strongly, as the Senator from Utah was saying, that we have a

very complex, comprehensive banking reform bill here that is extremely difficult by itself. Then, if you add the RTC questions to it—many of which are very legitimate questions and concerns—the likelihood of getting either of them will be even smaller.

With regard to the banking reform bill itself, I believe the best that we can hope for right now is probably the narrowest bill. We should get the BIF recapitalization now, and then give more time to this because there are so many other unsettled issues. There are many amendments still pending at the desk, and we are running out of time.

I think the Senator from Illinois is correct. I do think that RTC funding will be one of the last things to come up here. I also think that later on this week or early next week, probably at the very last moment, we are going to get recapitalization of the bank insurance fund rather than full banking reform. It will be a very narrow approval. And I think probably, in view of all that has already happened, and in looking at the long list of amendments that we have pending here, that that is the best.

The worst of all worlds would be to have banking reform that we have not been careful about or have not thought out with a lot of amendments popping up here on the floor at the last minute. Then we will wind up not only hurting the consumers of this country perhaps, but also destabilizing the bank insurance fund and the health and stability of the commercial banks which are very vital to the economy of this country.

The "too-big-to-fail" doctrine should be stopped in all but the most extraordinary circumstances. The banking industry does not want a government or taxpayer bailout for the fund, but healthy banks, like most of the banks in Mississippi, are tired of paying for the sins of others. In just 2 years, bank insurance premiums have risen from 8⅓ cents per year per $100 deposits to 23 cents per year per $100 deposits.

Congress should adopt a risk-based deposit insurance premium to more fairly distribute the burden and reward healthy banks. In my own State of Mississippi, commercial banks are performing well above the national averages; they are doing quite well. The following statistics indicate that our banks have prospered and grown by providing good service to their communities.

I ask unanimous consent at this point, Mr. President, to have some statistics printed in the RECORD.

There being no objection, the statistics were ordered to be printed in the RECORD, as follows:

	Mississippi banks	U.S. banks
Return on assets (percent)	.87	.67
Return on equity (percent)	11.44	10.27
Equity to assets ratio (percent)	7.65	6.66
Banks losing money (percent)	.82	10.48
Total assets	[1] $21.6	[2] $3.4

[1] In billions.
[2] In trillions.

Mr. LOTT. It is vital to these healthy banks that multiple account coverage continue so that deposits in Mississippi community banks—and other community banks in other States—are not driven out of State.

Brokered deposits have driven up interest costs for banks, leading to increased credit risks to offset them. Because this has greatly increased the risk to the bank insurance fund, I believe these brokered deposits should be prohibited or strictly curtailed.

We must reduce the incredible regulatory burden on banks if they are to remain competitive, both domestically and internationally.

I am concerned many of these amendments will increase that burden, not decrease it.

In light of this, I am considering cosponsoring an amendment which would exempt banks with less than $100 million in assets from CRA reporting requirements. In addition, this amendment would provide banks—with $1 billion or less in assets—a safe harbor in merger negotiations from CRA protests if their ratings in the prior year were outstanding or satisfactory.

I am also considering cosponsoring an amendment which may be offered by my colleagues, Senators COCHRAN and INOUYE which would strike the basic banking/Government check cashing provisions in title V as reported. These requirements can increase banks' liability significantly. Banks are not public entities, but profit-driven private companies. Although most of the banks in Mississippi already offer similar services, the Government should not mandate that they do so or what fees they charge.

I am opposed to the truth-in-savings provision in title V as reported. This would place an additional regulatory burden on banks and, as a matter of fact, I think it would be counter productive to the consumers themselves.

Banks are not on a level playing field with their competition. They are losing business daily to brokerage houses, mutual funds, finance companies, and others who are allowed to offer banking services, but are not regulated like the banking industry is. Banks should be given expanded securities powers with appropriate safeguards to assure the safety and soundness of the bank involved and the insurance fund.

I support the provisions of title X which place limits on the potential lender liability. These days it is difficult enough for banks to make sound loans. They should not be burdened with unwieldy environmental liability for contamination they did not cause.

While I support comprehensive banking reform, I no longer believe such legislation is attainable before adjournment. We should just deal with that realization. I also urge my colleagues, including the Senator from Illinois, to withhold his amendment and amendments like it so that hopefully we can address the funding of both the banking insurance fund and RTC, but wait for a cooler moment to deal with all of these amendments that are pending.

I yield the floor.

Mr. DIXON. Mr. President, I will be very brief because my friend from Colorado will shortly make his speech that is a dynamite speech on the spaghetti charts which shows the state of confusion in which our Government now exists under the present RTC Board.

But let me say I would like to first ask unanimous consent to modify my amendment, which is the right, of course, of the sponsor of the amendment, to conform to what I have stated the amendment is: To wit, the amendment as modified by me will strike all of the amendment except that part that creates a CEO confirmed by the U.S. Senate, and that part that sets up one Board of five members consisting of the CEO as Chairman of the Board, the Secretary of the Treasury, the chairperson of the FDIC and the two public persons.

So I ask unanimous consent at this point to strike subtitles B and C, which I understand will then conform my amendment, may I say to the Senator from Utah, to what I have described.

The PRESIDING OFFICER. Is there objection?

Mr. DIXON. I have a right to amend that.

The PRESIDING OFFICER. The Senator has a right to modify his amendment.

Will the Senator send the modification to the desk.

Mr. DIXON. That modification will be sent to the desk momentarily. They are working on it.

The modification follows:

In amendment 1352, strike subtitles B and C beginning on page 29 (top) and adjust table of contents and section and title numbers accordingly.

Mr. DIXON. May I further say if the two managers can hear this—that it is my intention later in the day to ask for the yeas and nays on this amendment, unless something is resolved through the day that would be satisfactory to this Senator and some of my colleagues, like the distinguished senior Senator from Colorado and others like-minded who want to do this.

I am not so wedded to the vehicle I am doing it on as I am personally of the opinion that if we cannot do it now we cannot do it this year. And it is fatal to not do it this year. So I am willing to let the managers pursue this through the day with the majority and minority leader. I would be willing to pursue through noon tomorrow at the

separate political caucuses of the two parties at their luncheon caucuses what might be done. But I want insurance that the people of this country have the opportunity to have their Senators vote on this issue, in apt time to confirm it as the form of our Government's dealing with this crisis when we are forced to vote on a RTC funding bill.

UNANIMOUS-CONSENT AGREEMENT

Mr. RIEGLE. If the Senator will yield, I appreciate the Senator's willingness to not make a final decision now on requiring a rollcall vote on this or otherwise pressing forward pending these discussions. The amendment of the Senator, then, would come in order after the amendment of Senator KOHL, on which there will be a vote later today. While we have not yet set the precise time for that, we will do so a little later. So if the Senator from Illinois intends to press ahead today and wants a vote, presumably it would come in the order right after the Kohl amendment.

So I ask unanimous consent that, if the Senator does press ahead to the vote, and if in fact he seeks the yeas and nays, and the yeas are nays are given, that that vote occur in sequence after the Kohl amendment at a time to be set later today.

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

Mr. RIEGLE. And that there be no second-degree amendments or any other amendments in order.

The PRESIDING OFFICER. Is there objection?

Mr. GARN. Reserving the right to object; I was conferring on another amendment and did not hear the entire unanimous-consent request.

Mr. RIEGLE. Let me repeat it. It would be if the Senator from Illinois decides to take his amendment to a vote later today and seeks the yeas and nays, and the yeas and nays are granted, that his vote would occur in the sequence following the Kohl amendment, which has already been authorized by the Senate and will occur at an hour later this evening. The Senator has not made a final decision that he is going to take his amendment forward to an up-or-down vote today, so this would keep that option open for him as we try to negotiate an answer that would not require the vote. But it would protect his right to have a vote in that sequence later if he decides to proceed with the vote. That is the request. And that there be no other amendments in order.

Mr. GARN. Further reserving the right to object, and I have no intention to objecting to simply displacing the amendment temporarily, but I thought I heard something about no second-degree amendments.

Mr. RIEGLE. Yes, I added that as well, that his amendment, if it were to be offered for a vote, it would be voted up or down without a second-degree amendment being offered to it.

Mr. GARN. Mr. President, I would not agree to that extension. I agree to change the position of the Senator from Illinois from exactly as it is, parliamentarily speaking, right now to a later date. But I do not want to make any other changes. So if the request is just to delay and give him a place in the pecking order, fine. But I do not want to change the parliamentary procedure as far as having the opportunity to possibly offer second-degree amendments.

Mr. ADAMS. Will the Senator from Michigan yield for a question in his unanimous-consent request?

Mr. RIEGLE. On that issue?

Mr. ADAMS. What I wanted to do was, if he wishes to have further discussion, perhaps to discuss it tomorrow, I was going to ask unanimous consent after my friend from Colorado has made his presentation, if we might set aside the amendment, take up the Adams amendment under a time agreement—and I am willing to agree to 45 minutes or an hour—and place it before the body so they can work out their times as to when they want to do it. I would ask for the yeas and nays but I am willing to have that placed before or after the Senator from Illinois, whatever the managers decide. I wanted to see if that could be done at this time.

The PRESIDING OFFICER. Will the Senator from Michigan please restate his request, UC request?

Mr. RIEGLE. He is just reformulating it in his mind and will restate it now.

That is, with the concurrence obviously of the Senator from Illinois, that the Senator from Illinois's right to seek the yeas and nays on his amendment be part of the unanimous-consent request, and that if he so seeks those yeas and nays later today that his amendment will follow in the order after the Kohl amendment, which has already been scheduled for the yeas and nays. And in addition, that following the disposition of the Dixon amendment, should there be the yeas and nays, that the next amendment that will be in order—assuming the yeas and nays are ordered on it—will be the amendment of the Senator from the State of Washington who hopes to lay that amendment down here shortly and debate it. That would be the extent of the request at this time.

The PRESIDING OFFICER. Is there objection?

Mr. GARN. Reserving the right to object, and I assume this in no way limits further debate on the Dixon amendment?

Mr. DIXON. No.

Mr. RIEGLE. That is correct.

Mr. GARN. I have no objection.

Mr. RIEGLE. Let me further say to the Senator from Washington because there are other amendments backed up, I am not aware of Senators who want to speak at length on the other side of the Senator's position. I would like to suggest maybe we do it with 20 minutes equally divided. Would that suffice?

Mr. ADAMS. I would need about 30, equally divided.

Mr. RIEGLE. Thirty minutes? I add to the unanimous-consent request then that there be 30 minutes equally divided on the Adams amendment.

The PRESIDING OFFICER. Is there objection?

Mr. RIEGLE. And that there be no second-degree amendments in order? Would that be appropriate as well?

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

Mr. RIEGLE. Very good.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. WIRTH. Mr. President, I am pleased that the Senator from Illinois is raising this issue. It is an issue that I have been concerned about for, now, more than 2 years. I think I introduced the original legislation on this bizarre structure to bail out the savings and loan—the bizarre structure of the RTC.

It truly is bizarre, Mr. President. I would like to show you why. I introduced legislation 2 years ago called the Savings and Loan Simplification Act, or SALSA—SALSA being something that you know about—to just add a little spice to this debate, show people how preposterous this is. Let me show you, if I might, Mr. President—and watch carefully. I want to show you what the structure is we are trying to simplify.

That, Mr. President, is not a computer chip. That is not a map of how to get to Oz; this is an organizational structure, and this is the design of the organizational structure that was used by the head of the RTC to illustrate how the process works. How does FIRREA work, this process that was in the legislation sent up to us by the President?

Can you imagine anything working in this system? It does not. The Senator from Illinois has made the case, and we have made the case, that there ought to be very significant simplification.

As the Senator from Illionis will remember, I showed this chart when we had the RTC Oversight Board up. When did we have the whole RTC Oversight Board up? It took more than a year to get the full RTC Oversight Board to come up, Mr. President. It took more than a year.

Why was that? Because on the RTC Board is Mr. Greenspan, the head of the Federal Reserve, Secretary Kemp, the Secretary of Department of Housing and Urban Development, and Secretary Brady, the Secretary of the Treasury. They are three busy, busy men. They have enormous responsibilities else-

where but they are on this Oversight Board supposed to be overseeing all of this. But they are not alone, Mr. President. There are two other independent members of the Board. And after FIRREA is passed, this Oversight Board with the head of the Fed, head of HUD, and the Secretary of the Treasury on it, it had two members of the Oversight Board. So the Banking Committee asked if we could get the Oversight Board to come up, and they could not come up because it took the administration more than a year to appoint the two independent members of the RTC Oversight Board.

So we could not get the Oversight Board to come up and talk about this.

Finally, the Board, after more than a year, Mr. President, after the Board was completed—this shows, by the way, how serious the administration was about the RTC Oversight Board—after more than a year, they came up and Secretary Kemp said he thought this was really not a fair representation. This had come from them initially, but this was not a fair representation, and I think it probably overstates the case because other departments who do have responsibilities in this—the Justice Department, the Federal Home Loan Bank Board, and so on, the RTC, all of these agencies are in this process somewhere.

So we took down this organization—this might be overstating the case—and we went back to what really happens. And this now, Mr. President, is what really happens in trying to get the S&L management and financing structure to work. This is the real one, not this one. This probably is a little too complicated. It is this more simple version that we are talking about now.

I want to point out, if you look at this, where do you go from here? You have the Federal Reserve, you have the Oversight Board over here, the FDIC and the RTC moving into this, you have the 12 home loan bank boards here, 6 regional advisory boards, and the fact of the matter is the responsibility does not exist anywhere.

We have hearings of the Banking Committee on various issues and it gets bucked—well, it really is not our issue at the RTC, it is the Oversight Board's responsibility—and there are a number of examples of that, of how hide the ball sort of gets played with this structure and a lack of accountability exists with this structure.

Let me give some examples. There was a seller financing proposal that had come up from the organization, come up to the Oversight Board, and as I remember it, the Oversight Board put it into effect but did not actually act on it. They just went ahead and did it. But the Oversight Board ducked the responsibility of approving it. They might not have ducked the responsibility. Maybe they were all so busy or had not been appointed, but they were not around to approve it. That was a major, important issue.

Another was the seller discount and auction program, again, put into effect by the organization. The Oversight Board knew about it but did not act to approve it. Again, a very important item.

Another thing that happened, Mr. President, the Oversight Board has closed meetings so you sort of know maybe what the structure is doing down here. But they have closed meetings up in the Oversight Board. And where is the accountability on that? It is a convenient way of doing things to not have the public know where the decisions were made, a modest $216 billion, I remind my friend from Illinois, $216 billion, and you can have closed meetings on the important decision-making process.

Another example was an amendment which I offered sometime ago related to environmental accountability and trying to make sure that some kind of preference was given to agencies, preference in sort of letting them know about it if there was a property of historic value, of cultural value, of environmental value that the RTC would identify that and make it known to various public agencies who might want to buy that historically or culturally or environmentally sensitive property, to have it out there so people would know that it existed.

In doing that, the RTC has established a memorandum of understanding with the Fish and Wildlife Service so that on environmental properties they received the expertise in areas such as: Are these important? Are these not important? Everybody seemed to think that was a good idea, except the Oversight Board who came in and nixed the memorandum of understanding that had been very carefully worked out all of the way through the line.

What we are trying to do in this, Mr. President, is a very simple process of restructuring this to get rid of the Oversight Board and have a one-Board structure. I asked at the hearings that we had on this if there was anybody there who knew of a similar structure to this, where you have one Board of Directors and then an Oversight Board that oversees the first Board, and accountability gets lost.

The new appointee, Mr. Casey, who was at that point the designee as CEO of the RTC said that, yes, in his experience at American Airlines, there was sort of a dual board structure—that was the American Airlines board, and then there was the American Airlines Holding Co. Then we got into that discussion. He agreed they were really the same people and it was not this kind of an extremely disparate structure.

It is hard to find any model like this because most organizations have built in a certain amount of accountability.

So, after the administration came up, Mr. Robson, the Deputy Secretary of the Treasury, became very unhappy with the idea of SALSA and the streamlining that we are suggesting. Mr. Casey, who was the designee at that point, was carrying the administration's water and understood this streamline and understood this streamlining is necessary. The next panel—G. William Miller, former Secretary of the Treasury and former Chairman of the Federal Reserve; Harold Seidman, senior fellow at the National Academy of Public Administration; and Alan Dean, the fellow of the National Academy of Public Administration—said that this was a "quantum improvement over the status quo." The kind of streamlining that we are suggesting in the bill that has now become the Dixon bill is a quantum improvement.

So I do not think there is any questions about the fact that we ought to do this.

I might note that even at the last hearing where we were discussing this reorganization, it has been noticed for a long time—Secretary Brady could not make it. We understand he is a very busy man. But again a commentary on the fact, you cannot have an oversight board and expect them to do the job when the Secretary of the Treasury, the Secretary of HUD, and the head of the Federal Reserve are all on the Board with enormous responsibilities elsewhere. We have to assign the responsibility and make sure that people feel accountable for that responsibility.

I think this streamlining makes sense. I have been proposing this for a long time. It has now come to be understood, at least among the sponsors of the bill, as sort of a consensus idea, at least among many of us, that this is the way to go.

So I hope we do this. I am sympathetic with what the distinguished chairman of the committee is saying and what the distinguished ranking Republican on the committee is saying about this. I think Senator GARN makes a good point that we have to get the bank insurance fund bill done and get it done as rapidly as possible. I hold no brief as to whether or not this should go on the banking bill or should be put off and put on the RTC bill, or whatever.

But I wanted to take a few minutes now, Mr. President, just to outline why I have been working on this for such a long period of time. It simply makes sense to provide some accountability, to get rid of the button, button, who has the button short of advisory board and RTC Board operating quite independently—and we have many, many examples of where the responsibility simply has not been met as it should be.

So I hope that we do move ahead. I defer to the judgment of Senator RIEGLE and Senator GARN as to how and when we ought to go about doing this.

But I do hope that we do end up with a streamlining. I think that is an important thing to do. I think we have a responsibility to do that. I do not believe that that is going to do harm to Mr. Casey and the job that he has accepted. I think, in fact, it will help to streamline that and give him the responsibility and accountability. He is a very, very experienced and impressive business person with wonderful credentials in terms of running an organization, and I think we want to give him the tools with which to run this organization.

Mr. President, I appreciate the opportunity that I have had to point out the complexity of this organization, and I would be happy to send any Members copies of either chart if they would like to have that. I am sure maybe the Senator from Florida would like an autographed copy of the spaghetti chart, computer chip model here, but I will send it to the Senator in the mail.

Mr. President, I appreciate having these moments, and I hope that we do end up with a simplification proposal at some time on either one of these bills.

I yield the floor.

Mr. MACK addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. MACK. Mr. President, I ask unanimous consent to be able to address the Senate as in morning business not to exceed 3 minutes and then to return to the bill.

Mr. ADAMS. Reserving the right to object, Mr. President, I just want to inquire of the manager if he proceeds if we can then proceed with our amendment so we know what the order is.

Mr. RIEGLE. Yes, I expect that, and I ask unanimous consent that once the Senator from Florida has had the chance to go into morning business for his comments, we return without interruption to the bill; that the Senator from the State of Washington be recognized for 30 minutes, equally divided, on his amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Florida is recognized.

OUR TREATMENT OF HAITIANS

Mr. MACK. Thank you, Mr. President. Last Thursday, I was here making an urgent appeal against a policy for Haitian refugees that contradicts everything we believe in as a nation. I am very sad to say the situation with respect to our treatment of Haitians fleeing the military dictatorship has gone from bad to worse.

At that time, I talked about how freedom, by its nature, and for the sake of its preservation, must be afforded to everyone and not applied selectively. This concept of freedom is the driving force behind the greatness of our country.

At that time, I was concerned about U.S. efforts to seek out third countries who would take the thousand plus Haitian refugees held on Coast Guard cutters or at Guantanamo. That decision to attempt to dump these Haitians on third countries was morally wrong. Others who have fled repression toward our shores are welcomed. In the case of the Haitians, however, we have lost sight of the meaning of freedom.

Now, I understand efforts are underway to return these refugees to Haiti. This is the worst possible scenario. It is an outrage to send innocent people back to a country led by a violent illegal military dictatorship.

What could ever possibly justify even the mention of such a policy? The only moral response can be one of outrage and indignation if such a policy were pursued.

Just last week, the Washington Post reported how the Haitian military stormed a pro-Aristide University gathering with machineguns. This is the environment to which we are returning the Haitians.

If the Haitian refugees are forced to return to the hands of a brutal military regime, their dream of freedom will become their nightmare of repression.

Returning Vietnamese, Russian Jews, Cubans, Nicaraguans, and others back to the repressive countries from which they were fleeing would have been unthinkable. How can we justify it for Haitians?

Our history demands us not to send Haitians back to Haiti at this time. The ultimate solution to the current Haitian crisis is to restore Aristide to his rightful position as that country's democratically elected President. In the interim, however, we have the obligation to treat Haitians fleeing to the United States in a humane manner. I truly hope we follow the right and moral course of action.

COMPREHENSIVE DEPOSIT INSURANCE REFORM AND TAXPAYER PROTECTION ACT OF 1991

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER (Mr. AKAKA). Under the previous order, the Senator from Washington is recognized.

AMENDMENT NO. 1353

(Purpose: To require the Federal regulatory authorities responsible for approving certain mergers and acquisitions to consider their effect on the work force displaced by those transactions)

Mr. ADAMS. Mr. President, I have an amendment at the desk, and I would ask the clerk to report it, please.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Washington [Mr. ADAMS] proposes an amendment numbered 1353.

Mr. ADAMS. 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 395, after line 25, insert the following new section:

SEC. 308. CONSIDERATION OF DISPLACED WORK FORCE.

(a) FEDERAL DEPOSIT INSURANCE ACT AMENDMENT.—Section 18(c) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)) is amended in the second sentence by inserting ", the impact on employees of the existing and proposed institutions, including whether the institutions plan to provide reasonable notice to employees well in advance of any layoffs, whether the institutions plan to make any effort to ensure that laid-off employees receive priority in filling future vacancies, whether the institutions will provide specific severance benefits for laid-off employees, and whether and for how long benefits such as health and life insurance and pensions will be continued for laid-off employees," before "and the convenience and needs of the community".

(b) BANK HOLDING COMPANY ACT AMENDMENT.—Section 3(c) of the Bank Holding Company Act of 1956 is amended in the second sentence by inserting "the impact on employees of the existing and proposed institutions, including whether they plan to provide reasonable notice to employees well in advance of any layoffs, whether the institutions plan to make any effort to ensure that laid-off employees receive priority in filling future vacancies, whether the institutions will provide specific severance benefits for laid-off employees, and whether and for how long benefits such as health and life insurance and pensions will be continued for laid-off employees," before "and the convenience and needs of the community".

Mr. ADAMS. Mr. President, I ask if I may have 30 minutes of debate on this amendment, equally divided, and I would request the Chair inform me when I have used 8 minutes. I have one other Senator, maybe two, who wish to use some time.

Mr. President, I had hoped that this amendment might be accepted by both sides. Unfortunately, it has not been. I know it has by Senator RIEGLE, and Senator GARN has some questions about it, which I am sure he will raise in the course of this debate.

This is an amendment to deal with the human costs of bank mergers. We have bank megamergers sweeping the country, and the amendment I am offering will address the fact that employee impact must be considered. My amendment would require Federal regulators simply to consider, when they authorize a bank merger, how the workers will be affected.

Mr. President, I had a great deal of experience with mergers when I was Secretary of Transportation and when I was in the House of Representatives.

It is an amazing thing to me, in this bill, in section 558, we give notice to customers if there is going to be a branch closure, but we do not give any

notice to the employees who will lose their jobs.

We have had some recent tragic cases of this. I saw picket lines in this city, and I am going to describe in a moment the fact there is a massive merger taking place in the State of Washington, were we will have potentially a large number of layoffs.

Let me mention what has happened. The Senate last Thursday voted to allow nationwide interstate banking and interstate branching. That vote is going to open the floodgates for bank mergers across the country. It will allow banks to consolidate, reduce paperwork, eliminate duplicative operations, and do a lot of other things all in the name of healthier banks. In the rush to complete bank mergers, however, the real pain is borne by the workers who will be laid off or their jobs will be lost.

In the last 12 months, 10 of the largest banks in the United States have announced plans to lay off close to 50,000 employees. Studies by McKinsey and Co. and Arthur Andersen accounting firm earlier this year found the banking industry will lose an additional 250,000 to 300,000 jobs during the 1990's. Bank mergers from Boston to California have already resulted in massive layoffs. The 3 mergers already announced this year will affect bank employees in 19 States and the District of Columbia.

The most recent merger announcement, that of the Bank of America and Security Pacific—and this particularly brings me to the floor—endangers the jobs of as many as 20,000 workers. This represents over one-fifth of their 92,000 employees. What is most important, in Washington State alone, where this merger will have its greatest impact, the approval of the merger in its present form may cost over 4,000 employees their jobs. Other examples abound. But I want to concentrate on the fact that 4,000 people in my State should be informed if they are going to lose their jobs, and other things should be done in an attempt, in any merger, to see that the human pain is alleviated. The Wells Fargo merger with Crocker Bank 5 years ago cost 4,000 jobs and closed 168 banks. I could go on. The Bank of New York and the Irving Bank merger reduced employment by 4,000; the Chem Bank/Manufacturers Hanover Bank merger announced in July will cost 6,200 jobs, or 14 percent of the work force.

Federal authorities under current law do not have guidelines to examine the effect of bank mergers on employees or on existing or proposed institutions. When 300,000 employees may lose their jobs in the next decade, should we not consider the impact on them and on their families?

My amendment will address that glaring omission. It would amend the Bank Merger Act and Bank Holding Company Act as follows—and it is not an overwhelming amendment; it is not as much as I would have asked for years ago in the transportation business. But it would amend these acts to include the employee impact as a factor for the Federal regulatory agencies to consider in the merger application process.

Regulators would be asked to do the following:

A. Give reasonable advanced notice of layoffs.

B. Priority for affected employees in filling future vacancies. In other words, employees laid off would have a chance to get their jobs back.

C. Continuation of the affected employee's benefits, such as health and life insurance and pensions. That should be considered, at least for some period of time, so that these people are not immediately without protection.

D. Whether there will be a severance package for laid-off employees. Regulators already look at the convenience and needs of a community when approving a bank merger. My amendment will simply guarantee that employee impact is considered under the convenience and need provisions.

My amendment is simple and it is straightforward. I am not talking about stopping mergers here. The amendment would not require regulators to deny a merger application based solely on employee impact. It would not impede the merger of a troubled bank with a sound bank. It would not hinder the expedited procedures process for troubled institutions. It would not prevent quick action in failed bank mergers.

The consideration of employee impact in mergers should be done. It is not a new issue around here. When I was a Member of the House of Representatives, we addressed employee impact in urban mass transportation takeovers. In the 1970's, we addressed it with the Rail Passenger Service Act, and in the 1973 Reorganization Act we used the precedent established in the New York Dock case, which said with the merger of two ferry companies we guaranteed employment of workers.

We are not even asking any of those things. All we are saying is that we give some notice and we give some feeling for these employees to protect them.

My amendment says to middle-class working men and women that their welfare will not be forgotten even in a rush to increase efficiency.

I would like to point out that section 558 of this bill clearly outlines the customer notification procedures banks must follow when closing branches. Why cannot this be done for employees? That was why I was hopeful this amendment might be accepted. If you are notifying customers, you should notify employees. There it is in black and white. Banks must notify their customers when closing a bank. Yet nowhere in the 11 titles of these bills is there even a mention of employee impact due to job loss. Someone thought about the needs of the customers, but no one thought about the needs of the 300,000 individuals and their families. I urge my colleagues to think about the human cost of bank mergers. Mergers will occur with increasing frequency. Please join me in sending a message to the bank employers throughout this country and to the employees. It is a simple message: You will not be forgotten in the merger mania sweeping the Nation.

Mr. President, I reserve the remainder of my time.

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

The PRESIDING OFFICER. Who yields time?

Mr. ADAMS. Mr. President, how much time is remaining on each side?

The PRESIDING OFFICER. The Senator from Washington has 6 minutes, 40 seconds remaining.

Mr. RIEGLE. Mr. President, I am going to institute a quorum call and ask that the time only be charged against my time for the moment, and reserve the time of the Senator from Washington.

So let me suggest the absence of a quorum.

Mr. DECONCINI. Will the Senator withhold?

Mr. RIEGLE. Yes.

Mr. DECONCINI. I thought the Senator was going to speak on the amendment. But maybe the Senator from Michigan will yield some of his time, 3 or 4 minutes. I am in support of the amendment of the Senator from Washington.

Mr. RIEGLE. Why do I not yield from my time 2 minutes to the Senator from Arizona, and the Senator from Washington can yield whatever he wants from his time.

Mr. DECONCINI. I thank the Senator from Michigan.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. DECONCINI. Mr. President, I rise in support of the amendment of the Senator from Washington regarding bank mergers and acquisitions. It is very timely and pertinent amendment, particularly for my State of Arizona. We are in the middle of a financial institution merger mania in this country. The theory seems to be that bigger is always better.

Comments we hear from the administration would lead some to believe that if we had four or five megabanks in this country, that would be just fine.

It will not be fine with this Senator, and it would not be fine in my State of Arizona. Bigger banks result in problems and very few solutions and very little constructive improvement in the quality of business life and consumer life for the population that they serve.

Among the major problems they cause is dislocation of the workers, which the amendment of the Senator from Washington addresses, and I think it is very important.

The proposed Bank of America-Security Pacific merger is expected to result in at least 20,000 workers losing their jobs nationwide because two big powerful banks from California are taking up one-third or more of the deposits and assets in Arizona. Each of those particular banks has already absorbed and taken over a number of failed savings and loans.

We are being told that these new banks will be more efficient, but the evidence says otherwise. Clearly it says otherwise. Of the 13 major studies of the economies of scale in banking, only two show any economy of scale in banks of larger than modest size.

According to an article in the spring 1991 issue of the Federal Reserve Bank of Minnesota Quarterly Review, it says the following. Let me quote it:

> The economies of scale are captured at a modest size and, once that size is reached, further increases do not improve profitability. In fact, there is some evidence that very large banking firms are less profitable than middle-sized ones.

Mergers in the financial institution field are bad news, in my opinion. I support the amendment of the Senator from Washington. I believe it will provide one more issue to consider in bank merger cases. I urge my colleagues to adopt this amendment. Arizona is now down to less than a dozen banks, and most of it is due to mergers. Now this merger in the State of Arizona will result in a consolidation of more than 33 percent.

I ask the Senator if he will yield 1 minute.

Mr. ADAMS. I yield 1 minute.

Mr. DECONCINI. If this merger goes through between the Bank of America and Security Pacific Bank, one bank in Arizona would have combined assets and deposits of more than 33 percent of all of Arizona. Is that good for Arizona business and consumers? The answer is resoundingly no. In fact, it is bad. These might as well be foreign-owned banks as far as this Senator is concerned because they are foreign to Arizona.

When these banks came into Arizona, they promised to keep the original name of the banks that they took over, to keep the original employees and the management. And they said they would continue the contributions to the community. They have not. I understand the economy is bad. But they have not fulfilled their commitments to the people of Arizona. I think the Senator from Washington has a very good amendment. I hope the managers will accept this amendment.

ORDER OF PROCEDURE

Mr. RIEGLE. Mr. President, if the Senator will yield for one moment, I ask unanimous consent that the time for the Kohl amendment vote, the first one in the sequence that has been cleared on both sides, be set to start at 5:20 p.m. today.

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

Mr. RIEGLE. I thank the Chair.

Mr. ADAMS. Mr. President, I yield myself 1 minute.

I want to commend the Senator from Arizona and state that we are talking about the same merger. The Bank of America and Security Pacific are going to merge in the State of Washington. And, in the State of Washington, the result will be that the institution will control 51 percent of the assets and over 40 percent of the insured deposits.

It just seems to me when we have something this massive, we not only should be telling the customers, but we should be telling the employees throughout the State that there is going to be a massive change in banking in our State if this goes through.

I just hope that we will begin to look at the people involved, customers and employees, as well as the short-term financial gain that we see talked about very often.

Mr. GARN addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. GARN. Mr. President, this is another one of those amendments that is almost irresistable. I do not know when I have been on the Senate floor on a banking bill where we are dealing with so many issues that sound good. I must say, I do not like to constantly stand up here and talk about what is good public policy and what is good for the taxpayers when you are talking against interest rate ceilings to lower people's costs on their credit cards.

Now we are talking about: Is it not fair to give employees as much advance notice as possible and severance pay and all of that? I cannot argue against that position. It sounds good; it is reasonable. This Senator does not like to see people laid off involuntarily with proper notice under any circumstances, whether it is a bank or other businesses.

What we are constantly doing is interfering with the operation of a free market. When I look at that list of banks that are in trouble, this huge list of S&L's that the taxpayers are paying to bail out, this Senator has to place his first obligation with the taxpayer. If we adopt amendments of this kind, as good as they sound and as fair as they may be, we are placing the taxpayer in further jeopardy, because it is rather interesting that if a bank fails and all the employees lose their jobs, this amendment does not apply. But if two banks want to merge to save jobs, because they are marginal—and most of the mergers that are taking place are because of the difficulties of the bank system and why we are, for the first time in the history of the FDIC, talking about these loans in order to recapitalize the bank insurance fund, and we tell people that all these factors have to be considered again, as fair as they are, in a merger—then we cause problems with that merger, which, in many cases, the reason that these banks are in trouble not only is because of bad loans they have made but because of overstaffing and too many branches, too much expansion too fast.

Then when they get us in trouble, and we are risking taxpayers' money. Then we go back and say that is fine. But now you have to go through all of this process. I realize it is not mandatory.

I have been around this place long enough to know the feeding frenzy of attorneys and what will take place. Do this, and it only requires them to consider it. And then some attorney grabs onto that and comes back, gets a group of employees who are laid off and says: You did not consider these factors.

Maybe the problem here is how we reform the legal system in this country, which this Senator thinks has become a disgrace in many areas. We are so sue happy, so litigious that nobody is at fault for anything, except somebody else. There is no individual responsibility left in this country, no accountability for one's actions. You have seen the ads with the neck braces, "Your attorney is only as far away as a call;" the ambulance and airplane chasers and the incredible costs.

That is the real problem, as I see it, with this amendment: the possibilities for litigation, and causing problems with mergers where these institutions are trying to do exactly what we tell them to do—clean up their act and be more efficient. It is one of those difficult ones.

The Senator from Washington is absolutely correct in the fairness aspect of this. But this Senator has to look at the impact of the most horrendous financial problem we have ever had in this country, as far as our traditional depository institutions, and always come down on the side of not only what looks fair, good and is politically popular, but what is good for this system. I think the taxpayers are carrying enough of a burden now, without the potential to add to it.

So I, unfortunately, must oppose this amendment.

I yield the floor.

Mr. RIEGLE. Mr. President, I have talked with the Senator from Washington, and have suggested to him that he consider converting this amendment into a sense-of-the-Senate resolution. I have actually sent him a draft of language that would attempt to do that. I am wondering if he were to do that—I, for one, would feel that we should accept such an amendment. I think it gives useful guidance to the regulators.

I am wondering, if it were put in the form of a sense-of-the-Senate resolu-

tion, if the Senator from Utah might be prepared to accept it in that form, and therefore the committee could accept the amendment if it were done in that fashion?

Mr. GARN. I thank the chairman. I would be willing to accept it as a sense-of-the-Senate, because it sends a message out there, and that is quite different than an amendment attached to the bill. Yet, I think it might have some good purposes in that form, without getting into the problems that I foresee as an amendment.

Mr. ADAMS. Mr. President, how much time is left on the amendment?

The PRESIDING OFFICER. The Senator from Washington has 5 minutes remaining.

Mr. ADAMS. How much does the Senator from Michigan have?

The PRESIDING OFFICER. Five minutes 30 seconds.

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

Mr. CONRAD. Will the Senator withhold?

Mr. ADAMS. Yes; I withhold that request.

Mr. CONRAD. Mr. President, I ask unanimous consent that I be allowed to speak for 10 minutes as in morning business.

Mr. RIEGLE. Reserving the right to object, and I will not object, I take it that it is outside of the scope of the banking bill?

Mr. CONRAD. No. It is with respect to the question of the cap on credit cards rates, so it is with respect to the banking bill but not with respect to this amendment. I would be happy, if the Senate was prepared, to return to this amendment, to be interrupted.

Mr. RIEGLE. Very good, I have no objection.

Mr. ADAMS. I have no objection.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

A CAP ON CREDIT CARD RATES

Mr. CONRAD. Mr. President, we have heard a lot of talk in the last 72 hours that the Senate action to put a cap on credit card rates is the reason for the precipitous fall in the stock market on Friday.

Mr. President, that is absolutely bogus. That is an argument by the big banks that are looking for a scapegoat to blame their policies on of keeping credit card interest rates at unconscionable levels. No one should be fooled in this country that what caused the stock market collapse, or the substantial rundown, on Friday was a result of credit cards, was the question of credit card interest rates.

I refer my colleagues to a column that appeared in the Washington Post on the 17th of this month. Here is what they said:

> No single event caused the massacre. But there have been a number of factors—all related to the economy in one way or another—that caused pressure to build over the past few weeks. It boils down to this: The U.S. economy, despite the best efforts of the Federal Reserve Board, isn't showing any noticeable signs of strength. And inflation, at least on the wholesale level, is beginning to cause concern.
>
> Those two events, taken together, could mean that the Fed will be unable to cut interest rates as aggressively in the months ahead as it has been doing for the past 2 years.
>
> And that isn't what Wall Street wants.

Mr. President, that is the fundamental truth. What caused the stock market to go down on Friday is the underlying weakness of this economy, coupled with the fact that we have had a whole series of announcements last week on economic indicators that tell us that this economy is not strengthening.

Mr. President, I refer my colleagues to the New York Times, first page of the business section on the 18th. That article is entitled "Market's Message: No Recovery Yet."

Let me read some selected elements from this article that point out what the real factors were causing the sharp drop in the stock market on Friday.

The New York Times reports:

> The sudden 120-point drop in the Dow Jones industrial average on Friday ended a week in which new economic data seemed to provide convincing evidence that the current recession is not behaving like other post-World War II recessions, and that the much-anticipated economic upturn is still weeks or months away.

Mr. President, that article goes on to report:

> The two most convincing numbers of this count—made public on Friday morning—showed that consumer confidence had recently deteriorated and that business inventories had risen. The former means consumers are not in the mood to buy, and the latter that manufacturers had produced more than retailers could sell and, as a result, production would have to be cut back.

There is nothing in there about the cap on interest rates charged by these big banks. What they are saying is that the two economic indicators reported on Friday indicated consumer confidence is down, No. 1; and, No. 2, that business inventories were building, heralding a future cutback in production.

They go on to report:

> Then, on Friday morning, the Commerce Department reported that inventories had risen sharply in September. Not only was it the first rise in 2 months, but the biggest since August of last year, a month after the recession started. Most important, much of the increase was among retail stores.

Mr. President, this article goes on to report other disappointing data.

> The Nation's auto makers, for example, reported on Wednesday that car sales in early November had fallen to an annual rate of 5.7 million vehicles, from a rate of more than 6 million in most of September and October. Some auto manufacturers have already announced production cutbacks for the fourth quarter, which means layoffs or less overtime for many workers.
>
> And Thursday, the Commerce Department reported that retail sales in general, apart from autos, had failed to grow in October, the third consecutive weak month.

This is a quote from the article, Mr. President:

> As soon as I saw those inventory numbers, I right away talked to my sales force and said the probability of a slow recovery was disappearing and the risk was increasing of either no growth or a dip back into recession," said Edward Yardeni, chief economist at C.J. Lawrence, a Wall Street investment house.

It is not the fact that we are talking about a cap on credit car interest rates, Mr. President. It is underlying weakness in this economy and the big banks when they saw the stock market decline saw now they had a chance. They had a chance to divert people's attention in this country from the fact that they are charging outrageous rates of interest on credit cards, 7 of the 10 biggest issuers of credit cards in this country charging exactly the same rate, 19.8 percent. And they have the audacity to go to the country and say there is competition, let the marketplace work.

Mr. President, the evidence is the marketplace is not working. In fact, every major credit rate in this country is going down.

Let me have that chart. We can show this directly. This chart shows interest rates in the economy. It is a very instructive chart, Mr. President. This red line on the top at near 20 percent, that is credit cards. Do you see any change there? Right across from 1980 through 1991, they are charging their 19.8 percent. It does not matter what economic conditions are in this country.

It does not matter what other interest rates are in this country. They are going to get their pound of flesh.

Mr. President, the yellow line is the prime rate, and look at the difference. The prime rate has gone down dramatically. Over the same period of time that there has been no change in the interest that the credit card companies are charging, the prime rate has gone from almost the same rate the credit cards were getting down to 7½ percent, and still they keep the credit card rates at 19.8.

In addition, the discount rate was up to 13 percent in 1981 and it is now down to less than 5 percent, a dramatic decline. Just as we have seen a dramatic decline in mortgage rates of interest, we have seen a dramatic decline in the discount rate, in the prime rate but not in those credit card rates.

Oh, no, Mr. President. There has been absolutely no reaction to the marketplace. And there has been no reaction because they had not needed to react because those credit card holders are captives. Once they owe the credit card money they cannot move, and the result is these big bank holding companies that are the major issuers of credit cards are taking advantage of con-

sumers in this country. That is why the President said the credit card interest rates ought to come down. And when this Chamber moved to actually do something about it all the big banks seized on the opportunity in seeing this stock market go down sharply and tried to blame it on a cap on credit card rates.

Mr. President, that is not the case. The case is very, very clear. The stock market declined sharply on last Friday because we had a series of new economic indicators that tell us this economy is not recovering, and one of the reasons this economy is not recovering is because there is no plan for it to recover. The President has a plan for every country but we do not see him with a plan for our own. There is no plan for economic recovery in America.

Mr. President, I just think some of us have an obligation to set the record straight when we see people trying to seize on other news to make their own case. The fact is the banks are charging 19.8 percent for credit card interest when they are giving us when we make deposits 5 percent or less. That is a 400-percent markup, Mr. President, depending on how you calculate it, 300- or 400-percent markup.

And they have gone to the American public and they have said, oh, my God, if we stopped gouging you on interest in rates on credit cards the whole economy will collapse? Who believes that, Mr. President? Who believes that? I certainly do not. This economy is not built on gouging people on credit card interest rates. That is not how this economy was built. We did not see America become the foremost economy in this world because the big banks were gouging people on credit card interest rates. Who are they kidding?

I saw spokesmen for the banks talk over the weekend, and they were asserting that, lo and behold, if the Congress puts some kind of cap on interest rates half of all the credit cards will be taken from people. Does anybody believe that? Does anybody believe that? They are making huge profits on credit cards.

Let me say, Mr. President, I would prefer not to have the Government have to act. That is precisely what I said on the floor last week. The Government should not have to act. The banks should act. The banks should do what every other element of our economy has done when the interest rates have come down; they have brought their rates down. That is exactly what the big banks ought to do. If they want to forestall Government action, there is one simple step for them to take—bring down these outrageously high rates and do it just as every other part of our economy has done when market forces dictate it.

Mr. President, I just think we have an obligation to set the record straight. This stock market went down because this economy is weak and because we received new data on Friday that says precisely that.

Let us not let the big banks create a mood or a climate in which nobody can do anything and they are just allowed to go along charging excessively high rates of interest. The way out of this is for them to respond and lower these rates on their own. That would show good faith, Mr. President, and that would solve the problem.

I thank the Chair and yield the floor. And I thank especially my colleague from Washington, Senator ADAMS, for permitting me this interruption.

Mr. ADAMS. I thank Senator CONRAD for an excellent explanation and I support him in his comments.

COMPREHENSIVE DEPOSIT INSURANCE REFORM AND TAXPAYER PROTECTION ACT OF 1991

The Senate continued with the consideration of the bill.

Mr. ADAMS. Mr. President, I ask that the amendment that I have presented be modified to be a sense-of-the-Senate resolution which we have sent to the desk and would ask the managers if we might have a vote in support of this. We have discussed the matter. I think we have settled it on a rational basis. I ask that this modification be presented, and I do not ask for the yeas and nays, but I ask that there be a voice vote on the matter.

The PRESIDING OFFICER. The Senator is informed the modification has not reached the desk.

Will the Senator send the modification to the desk?

AMENDMENT NO. 1353, AS MODIFIED

Mr. ADAMS. Mr. President, I will explain the modification while it is being sent to the desk. The modification is that there be a sense-of-the-Senate resolution, and I have discussed this matter with both the ranking member and with the chairman of the committee, and they have indicated support for the employees placed in the report and will press that this information be set forth as the indication of the Senate that the employees' plight is to be looked at particularly in the four regards, spelled out in my original amendment. I appreciate the managers on both the majority and minority side for agreeing to this.

Has the President now received the modification?

The PRESIDING OFFICER. The modification is at the desk.

The amendment (no. 1353), as modified, is as follows:

On page 395, after line 25, insert the following new section:

SEC. 308. CONSIDERATION OF DISPLACED WORK FORCE.

It is the sense of the Senate that in reviewing proposed mergers and acquisitions, the appropriate Federal regulator consider the impact on employees of the existing and proposed institutions, including whether the institutions plan to provide reasonable notice to employees well in advance of any layoffs, whether the institutions plan to make any effort to ensure that laid-off employees receive priority in filling future vacancies, whether the institutions will provide specific severance benefits for laid-off employees, and whether and for how long benefits such as health and life insurance and pensions will be continued for laid-off employees.

The PRESIDING OFFICER. Is there objection to the modification of the amendment?

Mr. RIEGLE. No.

Let me just say, Mr. President, if I may be recognized, I support the sense-of-the-Senate resolution as it has now been modified.

I thank the Senator from Washington for both raising the issue and being willing to work it out in this fashion. I think it is a tribute to him that he has not only focused the attention on this issue but has been willing to resolve it with me and the ranking minority member in acceptable fashion. I think it is a plus in the form it is now, and it is an important addition to the bill.

I thank the Senator for it and yield to my colleague from Utah.

The PRESIDING OFFICER. The Senator from Utah.

Mr. GARN. Mr. President, the modification is acceptable to the Senator from Utah, and I commend the Senator from Washington for his cooperation.

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

Mr. RIEGLE. Mr. President, I ask that the question now be put to the Senate.

The PRESIDING OFFICER. There is time remaining.

Mr. RIEGLE. I yield back the remainder of my time.

Mr. ADAMS. I yield back the remainder of my time.

The PRESIDING OFFICER. Time is yielded back.

The question is on agreeing to the amendment, as modified of the Senator from Washington.

The amendment (No. 1353), as modified, was agreed to.

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

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

The motion to lay on the table was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. RIEGLE. Mr. President, if I may be recognized again.

I thank the Senator from Washington.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. We have been making good progress this afternoon on these

amendments. We have an amendment now scheduled for a vote at 5:20. We are ready to proceed with a discussion on amendments that would be appropriate to title V, the consumer protection section. I understand that Senators who are interested in offering amendments to this section have been notified. It would be helpful to our being able to move through this bill and complete this bill to have those amendments offered at this time.

And so while we await those amendments or other amendments, I am going to suggest the absence of a quorum, and we will be prepared to proceed just as soon as a Senator arrives with an amendment to offer.

Mr. CONRAD. Will the Senator withhold?

Mr. RIEGLE. Yes.

Mr. CONRAD. I would like to ask unanimous consent to continue to review some other facts that are connected to this whole question of what caused the stock market to decline on Friday.

Mr. RIEGLE. If the Senator would yield, let me yield the floor, and let the Senator seek the floor. This is within the scope of the bill, and so he is entitled to seek time and speak on it and continue his remarks. Let me yield the floor for that purpose.

Mr. CONRAD. Mr. President, let me indicate to the floor manager that I would be glad to yield the floor when a Senator comes who is part of his schedule to try to move this bill so I do not delay the action on this bill in any way.

Mr. RIEGLE. I thank the Senator. That is very gracious.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I did not have time to fully explore all of the reasons that we saw the stock market decline sharply on Friday. I was able to refer to what happened with respect to new information coming out that this economy is weak, is in trouble, it is not experiencing the lift that some had predicted. I talked about consumer confidence and talked about those inventory numbers jumping.

Mr. President, on the question of consumer confidence, the New York Times article of today says:

The consumer confidence numbers were also a big blow. The University of Michigan's Institute for Social Research, which polls Americans on job security and buying plans, sent advance word to those who subscribe to the monthly surveys that early-November polls had shown a sharp drop in the confidence index—to 70.7 from 78.3.

The news spread quickly through Wall Street, confirming an earlier report from the Conference Board, a business organization. The Michigan Institute and the Conference Board produce the most widely followed consumer confidence surveys, and while the Conference Board had reported a sharp drop in its index for October, the Michigan survey had not shown a similarly sharp drop until the early-November numbers became public on Friday. The Michigan numbers ended lingering hopes that the Conference Board's gloomy October survey might have been a fluke.

There was other bad news last week. Unemployment insurance claims rose to their highest level in months. The Federal Reserve Bank of Philadelphia's index of business activity in the region, an early measure of recent economic activity, produced its first negative reading since February. The oil rig count, a measure of exploration activity, fell to its lowest level in months. And American Airlines announced a multibillion-dollar cutback in capital spending for new planes—a decision that could hurt the Boeing Company's so-far-robust operations centered in the Seattle area.

Mr. President, what happened on Friday was the culmination of a week of bad news about this Nation's economy. Make no mistake about it. It was not the case that this body's action on a limit on credit card rates was the precipitating factor. In fact, the precipitating factors were those outlined in the New York Times piece of this morning—a drop in consumer confidence, a very sharp drop; rise in business inventories; a whole series of bad news from the automobile industry, from the airline industry, and from all of the other factors that I recited; unemployment insurance claims up, and up sharply.

And yet what the banks did was very clever. The big banks who want to protect these unseemly high levels of credit card interests seized on the drop of the stock market and tried to convince this Nation's news media and through the news media the American people that nothing could be done to challenge their interest rates on credit cards.

Mr. President, I hope that the news media would not be so easily stampeded, not be so easily fooled; that they would look at the larger factors that surround them and understand that we face the situation in which the stock market is right now selling at very high levels, historically. It is due for a correction. And we should not be surprised when, after a week of bad economic news, the stock market experiences a downturn.

Mr. President, there is much more evidence that could be presented. I am not going to take the time of the Senate to do that.

But let me just conclude with an article that was in the Saturday's Washington Post.

Quoting from a Mr. Brad Weekes, a senior vice president and equities trader at Donaldson, Lufkin & Jenrette:

"We've had a huge run-up [in stock prices] over the last three months on speculation that the economy was turning around. Finally, it just kind of burst," said Brad Weekes, a senior vice president and equities trader here at Donaldson, Lufkin & Jenrette Inc. People realized "finally * * * that the economy just has not turned around at all," Weekes said.

That is the fundamental reason that we saw a sharp selloff in stocks on Friday.

Mr. President, we have to deal with facts when we deal with questions of legislative intent. The facts tell us that this economy is not recovering. This is one of the things that we could do that would in some small way help to get the big banks to adjust these outrageous levels of interest rates.

Mr. President, I yield the floor at this time to give my colleague from Michigan, the chairman of the Banking Committee, an opportunity to speak.

Again, I thank the Chair and yield the floor.

Mr. RIEGLE. I thank very much the Senator from North Dakota.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. RIEGLE. As we await the next amendment here on the floor, I am going to now make my own comments on the consumer title of the bill. There will be some amendments offered by Senator MURKOWSKI in one instance, and I think Senator COCHRAN in another, in that area of the bill.

I would like to now make my own statement on the consumer section and have that point of view in the RECORD. This will be title V in the bill.

I think the consumer section, title V, is the last area of the bill that will generate major discussion and controversy within the Senate. I think the other major titles that have done so have now been handled one by one. So let me now discuss the consumer section of the bill.

As an overview of the consumer protection provisions in the bill, let me say the protection of average depositors and American taxpayers was my chief concern throughout the drafting of this legislation, and I know it was for other members of the Banking Committee as well. This bill takes into account the needs of consumers of financial services and not just the needs of providers of these same services.

Ordinary citizens each day confer an enormous benefit on the banking industry by pledging the full faith and credit of the U.S. Government behind insured deposits taken in by those banking institutions. And, in return for that Federal deposit insurance guarantee and the fact that the taxpayers stand behind that guarantee, as we are learning with this legislation, the banking industry, for its part, has a responsibility to meet the needs of consumers and to treat average consumers fairly.

To ensure that the needs of everyday consumers are met, this bill contains significant consumer banking provisions. The bill incorporates the Truth in Savings Act and the Fair Lending Enforcement Act, both of which have previously been passed in the Senate by a voice vote.

Senator DODD of Connecticut authored the Truth in Savings Act, while

Senator DIXON from Illinois drafted the Fair Lending Enforcement Act. As those Senators may wish to speak on these provisions of the bill, I will discuss them only briefly.

Prior to 1980, consumers could compare different deposit accounts relatively easily because strict Federal regulation permitted very little variation in terms and conditions. In the 1980's, however, interest rate deregulation freed depository institutions to offer a broader range of rates and entirely new instruments with widely varying terms, conditions, and interest rates. I think consumers need better information and more useful information in order to make meaningful comparisons between competing deposit accounts and loans.

The Truth in Savings Act requires banks to disclose basic information on yields and fees, including the annual percentage rate yield on deposit accounts. This will, obviously, enable consumers to make informed comparisons between competing investment products or between different institutions offering these products.

The Truth in Savings Act also bans certain procedures for calculating interest that treat consumers unfairly, including the low-balance method and the investable balance method. By permitting interest to be based on the lowest balance in an account on any day during the accounting period, the low-balance method denies consumers a fair return. The investable balance method also allows depository institutions to pay interest on less than the full amount of principal savings in the account.

The committee was also concerned by disturbing evidence of continued discrimination against racial minorities and minority neighborhoods, generally in the area of home mortgage lending. Redlining continues to be a real problem in many of our Nation's cities. A Pulitzer Prize-winning series of articles in the Atlanta Journal and Constitution reported that middle-income white neighborhoods received five times as many loans from thrift institutions as did middle-income black neighborhoods.

The Federal Reserve recently released the results of the most comprehensive study ever undertaken of the problem of racial discrimination in lending. The results of that study are shocking.

White persons in the lowest income category were more likely to be approved for a loan than were black Americans and Hispanic Americans in the highest income categories. Minority home buyers were turned down for mortgages two to three times more often than white home buyers who had similar financial circumstances attaching to their individual situations.

The Fair Lending Enforcement Act addresses this issue by improving enforcement procedures in various ways. It requires Federal regulators to monitor more closely and to respond more forcefully to patterns of lending which suggest discrimination and to individual complaints of discrimination. The legislation enhances the ability of individuals to pursue their rights under fair lending laws by requiring lenders to make appraisal reports available to loan applicants. Discriminatory appraisals often cause lenders to deny mortgages to minority applicants. The bill is also designed to enable the Department of Justice and the Department of Housing and Urban Development [HUD] to play a greater role in enforcing fair lending laws.

BASIC BANKING/GOVERNMENT CHECK CASHING

Also, in drafting this bill, the committee was concerned that large numbers of Americans are today excluded from participating in the banking system. Surprising as it is, according to the General Accounting Office, nearly 1 in 5 American families—some 16.6 million American families in all—do not have any bank account.

Of those families, fully 42 percent of that group receive at least one regular check from a Federal, State, or local government.

The GAO has found that only 25 percent of families receiving Aid to Families with Dependent Children benefits have bank accounts in our country. I think we can expect this problem to grow, as several recent surveys have found that fees for retail banking services are in fact going higher. A June 1991 study by the Federal Reserve Board noted that "an overall trend toward higher fees for retail banking services" is "readily apparent."

Families suffer real hardships as a result of their exclusion from the banking system.

First, when they cannot have a banking relationship, they are often compelled to go to such entities as check-cashing outlets to cash their checks. Usually those businesses, which are often store fronts that you see in lower income neighborhoods, impose very stiff fees on those individuals to go in and cash a proper and valid Government check.

A 1987 survey of check-cashing outlets by the Consumer Federation of America found out that, on average, check-cashers charged over $8 to cash each $500 Government check.

Second, individuals and families without bank accounts must rely on cash to conduct their economic transactions. This reliance on cash places many citizens, a large number of whom are elderly, at a heightened risk of robbery and theft, and they are often preyed upon by street criminals because it is known they are carrying cash around to pay their bills and otherwise live.

To address this problem, S. 543, our bill here, requires banks and thrifts to offer a basic transaction service account. This legislation is based on a proposal originally made by Senator METZENBAUM. The provisions of the bill reflect a compromise that was negotiated between the Independent Bankers Association of America and the American Association of Retired Persons, and are supported by those organizations and others.

The bill in that area requires banks and thrifts to offer what is called a lifeline checking account and a Government checking-cashing service to low-income individuals. Individuals would be able to choose one account or the other, either the lifeline checking or the Government check-cashing service, but could not choose both. It would be one or the other.

There have been some misunderstandings about what this provision does and does not do. The bill, as it is written and presented to the Senate, contains a number of important improvements over previous versions of this idea. I want to clear up these misunderstandings so Senators can see that this is a very reasonable provision in this bill, and one that I think Members will want to support when they understand it.

The bill as such does not impose any financial burden on the banks for offering these accounts. The bankers are not asked to provide these services free of charge or out of the goodness of their hearts. Instead, the bill specifically allows them to make a profit for providing these services and that would be the cost of providing the service plus a 10-percent profit margin on top of those costs.

Banks may rely on cost studies that are conducted by the Federal Reserve Board in setting their fees. Consequently, the bill does not set banks off on a costly effort to try to do an internal costing exercise. In addition, banks need not pay interest on this basic lifeline transaction account, on the balance in that account.

The bill will not expose financial institutions to fraud as a result of cashing Government checks because no one will be able to walk in off the street, unknown to the bank, and demand that a bank cash a check for that person. We provide safeguards against that so that consumers who want to establish such an account with the bank must first go to the bank. They must apply for the service, and the banks can impose a 15-day waiting period before commencing the service to that individual.

Second, the banks may reject an applicant if that applicant has committed fraud, has made material misrepresentations, has a history of writing bad checks, or has a bad credit record.

And then, once an account is established, only the accountholder himself or herself may cash checks and only checks made out to him or her up to a

total of $1,500. Banks may issue I.D. cards to the persons with these special accounts and require the customer having that account to display the card before making a transaction. Moreover, State and local government checks would only be cashed if they were within that State or locality. So it would not be a case of those other jurisdictions of government checks there being necessary to be cashed in some other State and some other location. Additionally, a bank need not cash a check if it believes that the check is fraudulent, has been altered, or forged, if the I.D. card has been altered or forged, or if the person cashing the check has misrepresented his or her identity.

A bank may request the Federal Reserve Board to suspend the Government-check-cashing services requirement, but in order to do that, the Federal Reserve Board must determine that the institution is experiencing an unacceptable level of losses due to check-related fraud. So if it turns out to be a problem in a given institution, there is a resource for that institution to not have to continue that service. However, with these other safeguards, we do not suspect that will occur.

Moreover, the Federal Reserve Board may similarly suspend check-cashing requirements for any class of Government check if the Federal Reserve Board determines that the banks are experiencing unacceptable losses as a result of fraud involving that class of checks. A bank may take any of those costs attributable to fraud associated with providing this service into account when they actually price out the fee for this service. So we give the banks, in law, the right to build into their cost structure and their profit the amount of money needed to recoup any losses that are in the normal pattern and to earn a profit over and beyond that.

This is not an unreasonable request of the institutions. I know some institutions do not want to do it. Many do it already today. In fact, I would say the majority of institutions in the country today have instituted some kind of a lifeline account, although not many institutions offer one or the other, to meet the very needs of citizens throughout the country.

Yet, I think one of the problems here is that sometimes institutions do not particularly want some of the low-income people actually coming into the lobby of the institution to carry out their financial transactions. I hope we will not find that happening in this country, nor should we accept it if it is happening. I think banks, having the great assistance of Government-backed deposit insurance, ought to have the front door open to all classes of customers in our society. All persons should be welcome and all should be able to take advantage of basic banking services as long as they conduct themselves properly and are prepared to pay the fees associated with it like any other customer is expected to do.

The bill also includes antifraud protections with respect to lifeline checking accounts. Institutions may institute direct deposit unless the consumer objects. In that case, if the bank says to an elderly retiree, "Look, we would like to have your Social Security check deposited directly into your account here at the bank," that can be done unless the person on Social Security receiving the check objects. It would, in many cases, offer a convenience. So institutions can do so in the absence of an objection from the person with whom they are dealing.

An institution may also close a basic transaction account if the account has experienced three or more overdrafts or returned checks in any 6-month period or if there has been any fraudulent activity associated with the account.

Perhaps most important, in terms of unjustified concerns of Members, this bill in this area does not impose a significant regulatory burden on banks. We were very careful to take that issue into account in drafting this provision. In fact, banks will self-certify their compliance with these provisions. The regulators may not—I underline may not—issue regulations, conduct examinations or assess fines or penalties. Compliance will be enforced only by procedures available under existing statutes. The bill specifically states that failure to comply does not create a private right of action against the institution. So we are not moving in this area to try to create some new and large regulatory burden on financial institutions. To the contrary, we make it very explicit that we expect banks to operate in good faith and to self-certify their compliance with the provisions without a horde of regulators looking over their shoulder.

This bill recognizes that many institutions already provide lifeline checking and Government check-cashing services, as I have mentioned. The bill states that those institutions that now offer those kinds of accounts need not change their present service offerings. On the contrary, any institution that offers such services that are comparable to or are more favorable than the services specified in our bill is then exempt from the requirements of this bill.

Mr. President, as I have noted earlier, this legislation is supported by the community bankers and by the American Association of Retired Persons [AARP]. I would like to read from a letter that those organizations addressed to each Senator, and I quote from it as follows:

> Please support the compromise basic banking/government check-cashing language approved by the Senate Banking, Housing, and Urban Affairs Committee in August that is included in this bill. In addition, please oppose amendments which may be offered to weaken or eliminate this language.

Then jumping ahead but continuing the quote:

> The proposal accommodates consumer concerns without imposing undue hardships upon the banking industry.

It goes on to say:

> It is carefully crafted to protect banks against fraud.

It continues:

> It is a fair and balanced measure that both bankers and consumers can easily live with. Passage of this provision is proconsumer and would help build a stronger financial system.

This is from the AARP and the independent bankers in combination.

Mr. President, as the community bankers recognize in supporting this compromise legislation, these provisions strike a very reasonable balance between making banking services available to all of our people in America and, at the same time, protecting our banking institutions from fraud or from excessive regulation. Extending the reach of the banking system, as we suggest here, will be good for families, good for communities, and good for the banking system. So I urge my colleagues to support the provisions of the bill in this area and vote against any amendment to strike all or part of title V that contains these provisions.

Just one other thought, unless there is another Senator waiting to speak and that is this: As this description of this section illustrates, the committee has tried in every area of this bill to be reasonable and to apply a test of common sense to what we have proposed, in terms of what the section of the bill is designed to accomplish, taking into account the costs involved, taking into account the regulatory burden involved, taking into account the fairness of how the system works. We have tried to apply that test in each section of the bill, and we have done so in title V. These are reasonable provisions. These will help citizens in our country who today have a very difficult time connecting to our banking system. It will help them be able to do that. That will be good for them and good for our country and good for the banking system. I yield the floor at this point.

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. SIMON. Mr. President, I simply want to underscore what the chairman of the committee has said. I think the committee has worked out a very practical compromise. This particular provision contains basically things that we have voted on favorably in this body on several occasions.

Truth-in-savings provisions passed the full Senate several times during the past decade; a fair lending provision which increases the tools available to help detect and deter illegal lending discrimination and redlining practices by banks passed at least twice.

I could go to the others. What is different is what is called basic banking services. Here, as has just been pointed out by Senator RIEGLE, the American Association of Retired Persons and the Independent Bankers Association of America have had a joint ad in USA Today.

Among other things, it says:

AARP and IBAA urge the Senate Banking Committee to support this compromise basic banking and government check-cashing proposal.

I ask unanimous consent to insert this article in the RECORD.

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

[From USA Today, July 31, 1991]

FINANCIAL SERVICES REFORMS THAT WE CAN ALL BANK ON

This morning, the banking committee of the United States Senate will vote on Senate bill 543. It contains some of the most sweeping financial reforms since the Great Depression.

Two issues are so vital to Main Street America that the American Association of Retired Persons (AARP), representing older consumers, and the Independent Bankers Association of America (IBAA), representing the nation's community banks, have joined forces. Together, we urge the Senate Banking Committee to:

MAINTAIN EXISTING LEVELS OF DEPOSIT INSURANCE

Many consumers, particularly older Americans, have quite literally banked on current levels of deposit insurance. Changing the rules now would be devastating.

Recognizing this fact, Senator Donald Riegle, Chairman of the Senate Banking Committee, has chosen to protect existing deposit coverage insurance. The House Banking Committee also recently voted against reducing deposit insurance levels. AARP and IBAA urge the Senate Banking Committee to oppose any amendments reducing levels of deposit insurance.

ASSURE ACCESS TO ESSENTIAL BANKING SERVICES

Many Americans find it increasingly difficult to gain access to affordable banking services. For this reason, Senator Riegle has proposed compromise language requiring financial institutions to offer affordable basic banking accounts and to cash government checks. This provision assures low-income consumers access to necessary banking services in a fashion that the nation's banks can easily live with. AARP and IBAA urge the Senate Banking Committee to support this compromise basic banking and government check-cashing proposal.

IT'S SOMETHING WE CAN ALL BANK ON

Knowing that our deposits are insured. Knowing that we won't be denied access to necessary banking services. These are provisions we can all bank on.

Mr. SIMON. Then the consumers Union, which speaks as effectively for consumers in this country as any organization, has a detailed factsheet. I ask unanimous consent to insert that in the RECORD.

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

FACTSHEET ON BASIC BANKING/GOVERNMENT CHECK CASHING PROVISIONS IN THE SENATE BANK DEREGULATION BILL

WHAT DO THE BASIC BANKING/GOVERNMENT CHECK CASHING PROVISIONS REQUIRE?

These provisions require federally insured banks and S&Ls to provide two desperately needed services for households with incomes of $20,000 per year or less.

Basic Banking Services: First, federally insured institutions must provide "basic" transaction accounts so that families can safely store their funds and write checks to safely pay their monthly expenses. Banks can charge accountholders for these services under a simple formula that allows them to recoup their costs plus a 10 percent profit.

The basic banking account is designed to serve the most basic banking needs of lower income consumers:

Only 10 checks (or other withdrawals) can be written against the account each month.

The accountholder cannot have or open another account at the same or another institution.

The average monthly balance in the account cannot exceed $750.

The account does not earn interest.

Government Check Cashing Services: Second, federally insured institutions must cash government checks for nonaccountholders, including government benefit checks issued under the SSI, AFDC and general assistance programs. Institutions can also charge for this service under a simple formula that allows them to recoup their costs plus a 10 percent profit.

WILL THESE SERVICES IMPOSE A COST BURDEN ON BANKS?

These provisions will NOT impose a cost burden on banks because the bill specifically allows banks to charge for both services. The charge can be in an amount that is adequate to allow a bank to recover not only its costs (including any fraud-related losses) but a 10 percent profit.

WILL THESE REQUIREMENTS MAKE BANKS LESS PROFITABLE BY EXPOSING THEM TO FRAUD LOSSES?

No. Consumers that want the services will have to register with the bank by filling out an application form and presenting appropriate identification. Banks have 15 days from the date the application is filed to perform whatever background checks may be necessary.

With their basic banking accountholders, as with all their account customers, banks already have extremely efficient systems in place to reject checks drawn against accounts with insufficient funds.

With their check cashing customers, banks can require identification, including a bank-issued identification card, before cashing any check. Further, banks are only required to cash checks that are issued to the person who has registered with the bank for the check cashing service. Banks are not required to cash government checks written to third parties.

These protections, and others, should minimize any fraud-related losses for banks. Banks can recoup whatever, losses may occur, however, through the fees they charge their basic banking and check cashing customers. Under the bill, fraud-related losses are considered costs that may be fully recovered by banks in their pricing structure.

WILL THESE SERVICES IMPOSE A REGULATORY BURDEN ON BANKS?

A minimum burden, at most. In this area, as in many others, the Banking Committee has already bent over backward to address industry concerns. Banks will essentially police their own compliance with the basic banking/government check cashing provisions. Indeed, banks that already offer "comparable" accounts are exempt from the provisions altogether.

The bill gives no federal agency the authority to issue regulations. Further, it expressly prohibits any regulatory agency from imposing civil fines for non-compliance. Similarly, banks are exempt from civil liability for non-compliance in any private lawsuit.

WHY ARE THESE PROVISIONS NECESSARY?

These provisions are a vital component of any bank reform legislation to ensure that lower income households have a safe place to store their funds until needed to pay their basic living expenses. They are also necessary to ensure that lower income households do not face excessive costs in paying their regular expenses and converting a check into cash. If these families can avoid these excessive costs, they will have more funds available to put food on their table and clothes on their backs.

Currently, 16.6 million households do not have a bank account. Of this 16.6 million, 82 percent have annual incomes of less than $20,000. According to the GAO, 78 percent of AFDC recipients do not have a bank account.

Many "unbanked" households would like a bank account, but simply cannot afford one. While middle and upper income households can maintain the high balances necessary to avoid the high fees banks now charge for routine services, lower income households cannot. Consumers typically must keep about $500 and up to $1,000 or more on deposit to avoid these monthly service fees. Overdraft charges now average about $14, and can run as high as $25.

Numerous surveys by consumer groups indicate that most banks will not cash government checks for nonaccountholders. Consequently, lower income households are forced to cash their checks at check cashing outlets, where they can be charged between 1 and 10 percent of the face value of the check.

CONSUMERS MUST BE ABLE TO CHOOSE BETWEEN A BASIC BANKING ACCOUNT AND CHECK CASHING SERVICES ACCORDING TO THEIR INDIVIDUAL NEEDS—BANKS SHOULD OFFER BOTH

The Senate Banking Committee considered an amendment to allow institutions the choice of offering either basic banking accounts or check cashing services. Institutions would not be required to offer both.

In rejecting the amendment (8–13), the Committee preserved the right of each eligible consumer to choose the service best suited for his or her needs. All banks are required to offer both services. The consumer can choose one of the two services offered—but not both.

At the Committee level, banks argued that their unsuccessful amendment was necessary to minimize their costs in complying with the basic banking/government check cashing provisions. This is a spurious argument, however. The bill allows banks to impose charges for both services, and these charges allow banks to fully recoup their costs, and even earn a 10 percent profit. Consequently, this amendment will not save any costs that would not otherwise be fully recoverable through allowable service fees.

Mr. SIMON. Finally, Mr. President, we are not talking about something that, first of all, will require that the banks lose money. This provision says

they can charge for check cashing and cover their costs and have a 10-percent profit.

Since we are asking the taxpayers of America to come along with $70 billion in a loan to the banks, it does not seem it is asking too much to say to the banks, how about helping people of very limited means, who do not have bank accounts, by covering them so they can cash their checks and you can cover your costs and have a 10 percent profit on it in addition.

For those who say well, we are going to have all kinds of fraud, Rhode Island has had such a law requiring this of the banks since 1986. Connecticut has had it since 1987. In both States they have not had a big problem.

I think the proposal by the committee in this regard is a sound proposal. I hope the amendment to knock this provision out of the bill will be defeated. It should be defeated. We ought to be protecting Americans who too often are subject to all kinds of whims. The reality is those of us who have bank accounts, those of us who can afford all kinds of things, we can get checks cashed for nothing. What about people who do not have bank accounts? What about people on welfare? We have to be looking out for them, too.

Mr. President, if no one wishes the floor, I question the presence of a quorum.

The PRESIDING OFFICER (Mr. WIRTH). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

CREDIT CARD CHARGES

Mr. D'AMATO. Mr. President, ever since I introduced my legislation dealing with extraordinary charges that are being levied on people, on consumers, and on the middle class by the credit card interests, we have seen an incredible litany of charges being levied at the legislation.

As a matter of fact, whether it be the Treasury Secretary or other Cabinet members, we are told that this legislation is anticompetitive. Let me read an excerpt from the November 15 letter from Alan Greenspan to Congressman WYLIE, ranking minority member of the Committee on Banking and Finance:

Considerable information about the various credit card plans is already available to consumers enabling them to select cards with the most attractive features including low rates. In general the board believes that the functioning of the U.S. economy is served best when credit is allocated through competitive market practices rather than being subjected to artificial constraints. Sincerely, Alan Greenspan.

Mr. President, let me show you what 7 our of 10 of the largest issues of bank credit cards charge—19.8 percent. I want to ask you. Do we really think that came about because of free competition? Did that really come about because of the marketplace, and because people are competing for their business? Citicorp, Manufacturers Hanover, and Chase, three out of four of the biggest money center banks in New York, just so happened to come up with 19.8?

I want to know what has happened to distort the free market system, and how it is that the regulators have not gone after what obviously is a collusive practice to deny working middle-class families a free market system, and an opportunity to have that market work—so that when the prime interest rate came down, so that when the discount rate came down, so that when the cost of money came down, they could share in that during these recessionary periods of time.

Do not kill the messenger who brings the bad news and who says you have collusion, that you have interest rates that are absolutely stiffling this economy during this recessionary period of time. This is nothing more than a hidden bailout.

You know who is doing the bailing? The middle-class worker—they are bailing out the money center banks for their bad foreign loans; for their bad loans in real estate.

Then people say that my legislation is trying to control credit? I want to tell you something. If you did not have 19.8 over there, we would not have to be trying to batter down what is a dam, an artifical dam keeping credit at those levels.

Mr. President, I have no illusions. I understand what the big boys are doing. I understand the incredible power. I understand how they have got to the credit corporations and others, and I understand how my colleagues are being besieged.

Oh, we are going to have a study in the House of Representatives. Now they are talking about an 18-month study. They are not even putting a fig leaf over them. They are putting themselves into the woods to hide—18 months to figure out what is going on here? One percent; that is a net profit of a billion-and-a-half dollars when you find out about the unexpended balances that are outstanding there. That is on top of the incredible rates. When you first give them their money back, you give them a profit, and there they are at 20 percent.

The PRESIDING OFFICER (Mr. WIRTH). The chair reminds the Senator from New York that under the previous order the vote now occurs on the Kohl amendment.

Mr. D'AMATO. Mr. President, I ask unanimous consent that I might be able to proceed——

Mr. GARN. Mr. President, reserving the right to object, the Senator has spoken on this at least on one other occasion today, and he certainly has the right to speak later in the day. But the entire Senate has relied on this unanimous-consent agreement to vote at 5:20. I object.

The PRESIDING OFFICER. Objection is heard.

Under the previous order, the vote now occurs on the Kohl amendment, No. 1351.

The yeas and nays have been ordered.

The clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Texas [Mr. BENTSEN], the Senator from New Jersey [Mr. BRADLEY], the Senator from Louisiana [Mr. BREAUX], the Senator from California [Mr. CRANSTON], the Senator from Iowa [Mr. HARKIN], the Senator from Nebraska [Mr. KERREY], and the Senator from Maryland [Ms. MIKULSKI] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from Vermont [Mr. JEFFORDS] and the Senator from Wyoming [Mr. WALLOP], are necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming [Mr. WALLOP] would vote "Yea."

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

The result was announced—yeas 91, nays 0, as follows:

[Rollcall Vote No. 255 Leg.]

YEAS—91

Adams	Garn	Murkowski
Akaka	Glenn	Nickles
Baucus	Gore	Nunn
Biden	Gorton	Packwood
Bingaman	Graham	Pell
Bond	Gramm	Pressler
Boren	Grassley	Pryor
Brown	Hatch	Reid
Bryan	Hatfield	Riegle
Bumpers	Heflin	Robb
Burdick	Helms	Rockefeller
Burns	Hollings	Roth
Byrd	Inouye	Rudman
Chafee	Johnston	Sanford
Coats	Kassebaum	Sarbanes
Cochran	Kasten	Sasser
Cohen	Kennedy	Seymour
Conrad	Kerry	Shelby
Craig	Kohl	Simon
D'Amato	Lautenberg	Simpson
Danforth	Leahy	Smith
Daschle	Levin	Specter
DeConcini	Lieberman	Stevens
Dixon	Lott	Symms
Dodd	Lugar	Thurmond
Dole	Mack	Warner
Domenici	McCain	Wellstone
Durenberger	McConnell	Wirth
Exon	Metzenbaum	Wofford
Ford	Mitchell	
Fowler	Moynihan	

NAYS—0

NOT VOTING—9

Bentsen	Cranston	Kerrey
Bradley	Harkin	Mikulski
Breaux	Jeffords	Wallop

So the amendment (No. 1351) was agreed to.

Mr. RIEGLE. Mr. President. The next item that had been discussed earlier today and might come to a vote at this time was the Dixon amendment. The Senator from Illinois is on the floor.

I would appreciate it if we could have some order in the Senate.

The PRESIDING OFFICER. (Mr. KOHL). There will be order in the Senate.

Mr. DIXON. Mr. President, may I say while there are so many colleagues on the floor, we have debated my amendment on restructuring the RTC, as you know, for quite a period of time this afternoon that would provide for Senate confirmation of the CEO for the RTC, Al Casey, who, I personally think, is a good man and I would support. And it would provide for one Board with the CEO to be a strong Chairman, the Secretary of the Treasury, the Chairperson of FDIC, and two public members.

Now, my distinguished friend, the manager on the other side, the ranking member——

Mr. RIEGLE. May we have order in the Senate?

The PRESIDING OFFICER. Order in the Senate.

There will be order in the Senate.

Mr. DIXON. Mr. President, my good friend, the ranking member, the distinguished Senator from Utah, has come to me with the chairman of the committee, my good friend, the manager on our side, and suggested that there be some opportunity for talk. We have not yet resolved what might be done, but I am advised that the administration is open to some conservations about how we might resolve this.

As the Chair knows, I have not yet asked for the yeas and nays. I have indicated to the managers that I am willing to exercise the opportunity for talks with the administration and maybe put off until tomorrow the ultimate question of when we would go to a vote on this amendment, which is supported, I think, very heavily on this side, may I say. I cannot represent that it is unanimously supported, but there is substantial support on our side for demanding a reconfiguration of the RTC and a strong Chairman if we are going to pass legislation funding the RTC.

But I am willing to carry on some discussions for a while and would be at the beck and call of the two managers about what we might ultimately resolve, with the understanding, if I may say so, that I do want a vote on this if we cannot resolve between us and the administration what should be done about this RTC Board.

Mr. RIEGLE. Mr. President, I thank the Senator for his comments. I think we need full discussions. With the indication from the Treasury Department that they are open to discussion on this issue, that those discussions ought to commence tonight.

It would be my idea to ask unanimous consent that the amendment of Senator DIXON debated earlier today that was scheduled for a possible vote at this time be carried over until sometime tomorrow, with the decision left open by the Senator from Illinois as to whether he presses forward at that time for the vote or not.

The PRESIDING OFFICER. The Senator from Virginia.

COMMENDING THE NEW BILL CLERK

Mr. WARNER. Mr. President, a parliamentary inquiry.

I take note that the last rollcall vote was conducted by Miss Kathie Alvarez, who has recently been appointed the bill clerk.

My inquiry is: When in history has a woman taken a Senate rollcall vote?

My inquiry shows, not before.

So I think we should take due note of that and extend our congratulations from the body as a whole to the new bill clerk. We are making progress.

SEVERAL SENATORS. Hear, hear.

Mr. RIEGLE. Is there objection?

The PRESIDING OFFICER. Is there objection to the request of the Senator from Michigan?

Without objection, the request is granted.

Mr. DECONCINI. Mr. President, I will take only a moment or two.

The PRESIDING OFFICER. The Senate is not in order.

Will the Senate be in order?

Mr. DECONCINI. Mr. President, last week the Senate sent a wake-up call to the credit card companies of America. We sent a message that said we are mad as hell and we are not going to take it anymore. I hope the credit card companies of this country got that message.

Interest rates are down. Long-term rates, short-term rates, bank rates, prime rates, any rate that anybody can think of is down today except one, and that is the credit card rates. The discount rate that the Federal Reserve charges banks is about 4.5 percent today. The prime rate which banks charge their most worthy customers is about 7.5 percent, or 8 at the best. Thirty-year fixed mortgage rates can be found at 8.5 or 9 percent.

But what about credit card rates? Credit card rates are sky-high. They have not budged at all. You would think we were in a period of high-interest rates instead of low-interest rates in this country—it is the lowest that we have had that I can remember.

Certificate of deposit rates that institutions pay for deposits are also way down, in the measly 5- or 4.5-percent range today. At 5 percent you are practically losing money when you put your money into a savings account, based on inflation. Yet credit card rates are sky-high. They have not fallen, to my knowledge, at all over the past couple of years.

Seven out of the top ten credit card issuers charged the identical interest rate of 19.8 percent. I say that is incredible. It is not just incredible, all of these companies just happen to pick 19.8 percent. To me there is more to it and I think that it smacks of collusion.

Why has somebody not investigated this bizarre coincidence? Where is the Justice Department antitrust division? Why are they not doing something about this? Where is the Federal Trade Commission or the Federal Deposit Insurance Corporation or anybody else? The Treasury Department?

The Senate did not act precipitously last week when we adopted the amendment of the Senator from New York overwhelmingly. We sent out a signal here, loud and clear, that we have had enough. We sent a wake-up call, I hope, at least to the credit card companies of this country, that it is about time they get a message and they lower these.

Yes, we ought to believe in the market principle. We all subscribe to that. But there comes a time when greed takes over and that is when the market principle gets out of hand.

It seems to me that the time has come. I hope this body does not budge from the amendment of the Senator from New York. It was a wise amendment and we ought to do everything we can to implement it so the credit card consumer will, indeed, have a fair rate and the approach used by the Senator from New York was not unfair at all.

The PRESIDING OFFICER. The Chair recognizes the Senator from New York.

Mr. D'AMATO. Mr. President, first of all let me thank my colleague from Arizona, Senator DECONCINI, for focusing on the credit card interest rate abuse. I suggest to this distinguished body that if I had offered this interest-rate legislation in a truly free marketplace—it would be inappropriate. It would also be wrong. There would be no justification for this legislation because there would be no need for it.

I recently read a disturbing letter—I wonder if my distinguished colleague and friend from Arizona saw today's letter from Alan Greenspan. In this letter, Chairman Greenspan states that the best method of setting credit card interest rates is through competitive market processes. I ask you whether or not Chairman Greenspan actually believes there has been a competitive market process. It is the competitive market process that has caused a 19.8-percent interest rate to prevail at 7 out of the largest 10 credit card holders?

Mr. DECONCINI. If the Senator will yield, I have not read that letter but obviously the answer to that question is there is no competition here or the interest rates would come down.

I am not saying, and my colleague did not say in his legislation, that it had to be 8 percent or it had to be anything. They just had to be reduced 4 percent above what the IRS charges delinquent taxpayers, as I recall in the Senator's amendment.

Mr. D'AMATO. That is correct.

Mr. DECONCINI. That is not unreasonable. It is about time we do something in this body so that the consumer—many Americans live on these credit cards—does not have to

pay 19 or almost 20 percent. I thank the Senator from New York.

Mr. D'AMATO. Mr. President, I wonder why it is, given our concern about regenerating the economy during this recession period, and that even the President of the United States has called for the reduction of interest, why is Mr. Greenspan opposed to this legislation? The distinguished head of the Federal Reserve, who has served the public for so many years, has not examined why 7 out of 10 banks charge the exact, identical interest rates to their credit card customers. Three out of four of these banks are in New York. Manufacturers Hanover, Chase, and Citicorp all in that same metropolitan area, all charging 19.8. Is that truly just a coincidence? Is that truly a result of free market competition? Is it truly a competitive business?

Let me suggest that the Fed and Treasury have been asleep at the switch. The Fed and Treasury share a hidden agenda. That hidden agenda is a not so cleverly concealed bailout of the big money center banks by the middle class. If that bailout was terminated, some of those institutions might be in trouble.

As long as the middle class continue the bailout without protest, and no one points any fingers—Fed and Treasury are happy to go along with it.

By the way CNBC—which happens to be owned by General Electric, completed financial analysis designed to blame the 120-point decline in the stock market on Friday on the Senate's vote on the credit card legislation. If that is a financial analysis worth its salt—I could not believe it. The 120-point stock collapse came because of the infamous legislation?

By the way, why did I introduce this legislation? The devil made me do it. The devil is the 19.8 interest rate being charged by 7 out of the 10 largest banks.

At least Jesse James sometimes wore a mask. The bankers want to hold you up, take all your money and they have you thank them for their trouble. The bankers want you to plead for money, "Oh, please, please, do not cut me off."

I had a buddy some years ago. His dog, Barney, got a credit card. My two sons—no job, nothing—regularly get credit cards in the mail. I cut them up before my sons even see the credit cards. My sons cost me enough without the added expense of their having a credit card. We are supposed to thank these bandits?

If I was to thank them, I would have to say something like "Thank you Citicorp." "We are bailing you out for loans that you made." Thank you for making loans to every petty dictator and tyrant. Thank you for the billions and billions of dollars you loaned to foreign countries. Finally, thank you for loaning the billions of dollars' worth of loans you made to the real estate industry.

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

Mr. D'AMATO. Certainly.

Mr. DECONCINI. I would like the Senator's reaction about this.

Mr. DOLE. Do you feel strongly about this?

Mr. DECONCINI. It is absolutely unfair, portraying the Senator as "whacky," which was used, because I do not think that is appropriate coming from anybody, particularly the Secretary of the Treasury. I saw him on Sunday and I thought it was, not only totally wrong, but inappropriate.

I think the Senator not only—let me, if the Senator would just——

Mr. D'AMATO. I reject that analysis.

Mr. DECONCINI. Not only, do I not think the Senator is whacky, I think this credit card scam is whacky and it affects anybody in this country who has a credit card, whether you are the jobless graduate from college who gets a credit card who has no capability of paying it, or you are the working middle American who makes $20,000, $30,000, $40,000 and you have to pay 20-percent interest.

I would just like the Senator's response to that question.

And, also the fact that this has caused the stock market to lose 120 points last Friday. Talk about something that is whacky—I tell you, somebody has to spell that word, I guess.

Mr. D'AMATO. Mr. President, if I might respond, I was disappointed in the Secretary's obvious lack of knowledge regarding the reasons for Friday's precipitous drop in the stock market. I would have thought someone with his years of experience would have been able to analyze what actually occurred and not just facetiously attribute it to the decline in the bank stocks. There was some loss occasioned as a result of a weakening of bank stocks—but that accounted for a tiny portion of the reason for the market decline.

To simply ignore that Aetna, Boeing, IBM, Bethlehem Steel, Merck also had precipitous drops—Aetna because it charged off $1.3 billion; in loan loss reserves is to just ignore the reality of the marketplace. After Secretary Brady's years of experience with the marketplace, he should have recognized that at 3 o'clock when the options were exercised—what we call double witching hour, that it caused the market to drop about 80 points; to ignore the pharmaceutical houses that had the price of their stocks drop—whose earnings were overinflated, many, many, many times. The prices of these companies' stock dropped as much as 38 percent. Either the Secretary deliberately chose to ignore these explanations or he was terribly misinformed.

Mr. CONRAD. Will the Senator yield?

Mr. D'AMATO. For a question, certainly.

I wanted to make, if I might, two other observations on this issue. My mama has accused me of being wacky at times. I become upset when I see the middle class being taken advantage of because of the hidden bailout I mentioned earlier.

I make no apology for putting a spotlight on this absurdity. It is unconscionable, that we do not have free market competition. This legislation should not be necessary. If there was free competition, we would not have supported this legislation. I look and see Senator CONRAD from North Dakota, he is a free marketeer if there ever was one. It is because of the long-term abuse of the marketplace that we came forth with this legislation.

I did take unkindly to some of the observations that were absolutely out of line in attempting to attribute a 120-point decline to this legislation. It was unfair and it certainly did not square up with the facts.

An old law school professor said to me when you have the facts, you pound at the facts. When you have the law, you pound at the law. When you have neither, you just pound. And that is what the Secretary of the Treasury did. He did not in any way attempt to distinguish and demonstrate concrete reasons for Friday's market volatility.

Let me tell you something, when Secretary Brady says we are not in the recession, I have to wonder if he really understands what is taking place in many working middle-class families. When the Secretary does not understand that this is far from an elitist measure we have offered, and that it is a measure to relieve middle-class people during these extraordinarily difficult times, then I do not think he understands what is taking place.

This legislation is not an offer to help the wealthy. The wealthy do not have to worry, they pay their credit cards after 30 days. It is for the working middle class, it is for the guy who has the automobile repair bill that comes in at a thousand dollars. It is for the guy who has a furnace blow up in his house during the winter months who has to get it repaired at a cost of $500 or $600. Those are the people who are paying 20 percent on the credit card debt. Why do you think the banks are screaming and yelling about this legislation? It is because this is a huge profit source. For many of these banks, it is the only area where they are making money. We do not deny them a fair return, but this is more than a fair return.

Mr. President, there is a small article, editorial in Business Week, November's Business Week. I am going to read part of it. It says:

> The Fed and the White House are trying to get interest rates down, in order to coax the cautious consumer back into a buying mood. But if that consumer charges purchases to a credit card, the interest rate is apt to be a stunning 19.5%—enough to put a damper on any buyer's zeal.
>
> The credit card rate has been flirting with 20% in spite of a dramatic decline in what

banks have to pay for money. Since mid-1990—

Mr. President, the discount rate has gone from 7 percent for the banks in this last year down to 4.5 percent—

the federal funds rate has been cut 13 times and now stands at just 4.75%.

Why have things reached this ugly pass? The answer is that Washington, still stunned by the savings and loan debacle, is treating the banking system with kid gloves. Banks cite the cards' unsecured-credit aspect as justification for such high-rates—yet they're snowing mailboxes with new account solicitations.

The truth is that the wide spread between what banks pay for money and what they charge consumers for it is a subsidy to an industry that is rightly seen as shaky. It's also true that, despite lip service to lower rates, Washington has tolerated and even encouraged banks to soak the consumer—to prop up the industry.

Let me conclude and say "and for their part, regulators and politicians should stop subsidizing banks by allowing outrageous rates on consumer loans. It is time to end this charade."

Mr. President, there is an old saying—do not shoot the messenger for bringing bad news. I undertook this job to correct the lack of a truly competitive market for credit card interest rates. It is a responsibility that I have. Sometimes you are going to rock the boat and make some people angry at you because they do not like the bad news, whether they are people in your party or the administration, or whether they are constituents and very powerful groups. It is incumbent upon us, as legislators, to stand up, and not to put a fig leaf on and say, let us have an 18-month study. A study would be a betrayal to the working middle class—it would ignore what is taking place. The working middle class is providing a subsidy to the banking industry—and not even getting credit for it. It is a subsidy that we are giving to the banks on the back of the middle-class worker who pays 19.8 percent. That is what we are involved in, and it is wrong.

I know the Senator has a question.

(Mr. ROBB assumed the chair.)

Mr. CONRAD. Will the Senator yield? Is the Senator familiar with the difference between what the prime rate has been and the credit card interest over the last 10 years? Because I asked my staff to look into that question, to find out if in any way we are being unreasonable in our proposal. I found an interesting thing, the Senator from New York would be interested in.

Mr. D'AMATO. I would be interested in it.

Mr. CONRAD. In the early eighties, the gap between the prime rate and credit card rate was about 2 points, sometimes 3 points. Today, the gap between the credit card rate and the prime rate is 11.4 percent. Under our proposal, the gap would have been 6.5 percent, still much higher in terms of what the credit card companies could get in relationship to the prime rate than what they were getting in early 1980. Right now they are getting a gap of 11.4 percent. It is unprecedented.

Mr. D'AMATO. That is over the prime rate.

Mr. CONRAD. Over the prime rate.

Mr. D'AMATO. And the prime rate is a rate that gives them a profit, is that not correct, in loans made to their best customer?

Mr. CONRAD. Since they are borrowing at 4.5 percent, the prime rate of 7 percent must give them a profit or they would not do it. I think the Senator is correct in his assumption.

You really have to wonder precisely what it is that the people are complaining about. I know what my constituents are complaining about, and I assume it is the same for the Senator from New York. They are upset because when they hear the big banks get on television and say, well, we have to have 19.8 percent because we have so many bad loans out there, again, they are saying to the middle class, you fill in the difference. We are asking the middle class to come out and bail us out. The middle class is tired of bailing everybody out.

Mr. D'AMATO. And their poor loaning practices.

Mr. CONRAD. I watched the bank representatives talk this weekend and the crocodile tears we heard from the big banks that they have to have 19.8-percent interest or they cannot possibly make it. I tell you, when my constituency sees that they are getting 5 percent on the money they give the banks, they turn around and put it out for 19.8 percent and they say they cannot make it, something is radically wrong.

Mr. D'AMATO. Was the Senator aware of the fact that in addition to whatever the interest rate they are paying, 19.8 for the largest 7 out of 10 banks paid by the consumer, that the bank also has a service fee of anywhere from 3 to 5 percent that they receive from the retailer. When that customer goes to an institution, whether it is to buy a tire for an automobile, whether it is a restaurant, whether it is to buy an appliance, the store ultimately pays anywhere from 3 to 5 percent to the bank. The 3 to 5 percent is an additional charge over and above the 19.8 percent. In some cases, we are talking about a total rate, when combined with the retailer payment and the interest rates the customer is charged, close to 25 percent.

Mr. CONRAD. Absolutely, extraordinary. I talked to some retailers today who were explaining that to me.

One other point I thought I should make with my friend, the Senator from New York, and that is when they talk about the drop in the stock market being caused by a cap on credit card rates, I think we should remind people that the stock market is at a very high level historically. The price-earnings ratio is 29, historically it averages 15. And on Friday, the very day we saw the stock market drop, in the morning two important indicators were announced that tell us this economy is not recovering. No. 1, consumer confidence numbers were released that showed a dramatic drop in consumer confidence in the early days of November.

Second, the inventory levels in this country were also released Friday morning showing a dramatic increase. That tells us production is going to have to be cut back.

Third, the same week, unemployment benefits showed claims going up dramatically.

And there was lots of other bad news as well. American Airlines canceled a multibillion-dollar contract. The Soviets announced they were not selling any more oil. Biotechnology, as the Senator from New York indicated, led the decline. What do biotechnology stocks have to do with credit card interest rates? Absolutely nothing. The fact is the banks in an attempt to divert people's attention went on the attack. They saw an opportunity to explain away 19.8 percent interest rates. They saw the chance to scapegoat and to scare people and, boy, did they seize the opportunity.

That is what has happened. It is an attempt at scare tactics, to divert people's attention from the fact they are charging rip-off rates. That is the reality.

Mr. D'AMATO. I think the Senator makes a point, and I would like to commend him. I understand and respect people who have a difference of opinion on this issue. For those officials who should know better, however, for the Treasury Department, and the U.S. Cabinet members to say that the stock market fell 120 points because of this legislation is incredible. It is simply not supported by the facts. It is wrong.

And why is the administration scapegoating for the banks? Why do they oppose the legislation? Why have they failed to come up with a constructive alternative? This Senator, when I came to the floor, said let me tell you something, if you have a better way to do this—show it to us. Do not come up and say that this legislation has created a fall in the market, when the facts demonstrate that not to be the case.

Now, if they really believe that, then it demonstrates a shocking lack of knowledge on their part. These people should not be taking that kind of superficial view.

As the editorial from Business Week, November 19, 1991, said, it's about time that the "regulators and politicians * * * stop subsidizing banks by allowing outrageous rates on consumer loans. It is time to end this charade."

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

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

STOP SOAKING CREDIT-CARD SHOPPERS

The Fed and the White House are trying to get interest rates down, in order to coax the cautious consumer back into a buying mood. But if that consumer charges purchases to a credit card, the interest rate is apt to be a stunning 19.5%—enough to put a damper on any buyer's zeal.

The credit-card rate has been flirting with 20% in spite of a dramatic decline in what banks have to pay for money. Since mid-1990, the federal funds rate has been cut 13 times and now stands at just 4.75%.

Why have things reached this ugly pass? The answer is that Washington, still stunned by the savings and loan debacle, is treating the banking system with kid gloves. Banks cite the cards' unsecured-credit aspect as justification for such high rates—yet they're snowing mailboxes with new account solicitations.

The truth is that the wide spread between what banks pay for money and what they charge consumers for it is a subsidy to an industry that is rightly seen as shaky. It's also true that, despite lip service to lower rates, Washington has tolerated and even encouraged banks to soak the consumer—to prop up the industry.

On the evidence, banks seem ready to ignore President Bush's call for lower credit card rates. But the banks must realize that if they do not heed the call, they may not get the other things they want—such as interstate banking. And for their part, regulators and politicians should stop subsidizing banks by allowing outrageous rates on consumer loans. It is time to end this charade.

Mr. D'AMATO. It really is time for us to wake up. It is time for us to say to the American people we have heard what they have been saying in the elections several weeks ago. The American people are angry. They know that something is not right, and they happen to be correct. We are going to have a real test to see whether or not we can continue to stand.

I am not suggesting to you that my legislation is the perfect answer to whether or not we are going to stand up for the people and give them a break. I am going to suggest some of the alternatives I have heard—letting the banks continue business as usual, let us appoint a commission, let us have an 18-month study, that is exactly a betrayal of what the people have a right to expect. That is exactly what the people have come to expect from us—nothing, at best a coverup.

I am going to suggest to you that the first thing the Federal Reserve should be doing is getting down there to say, "Hey, fellas, you better get some real economic competition." I see how they can harass and hound the little banker, how they can make it impossible for him to do business. I want to know why they cannot see that there is a lack of economic competition and why it is we have to come to the floor and offer this kind of legislation.

It is about time that Congress became aware of the reality of the marketplace. We need to do something about it and not dismiss it as just business as usual. We need to provide relief to the overburdened, working middle-class mired in a deep recession. It is about time that we began to stand up and do what is right, not because of political expedience but because it is the right thing to do.

I yield the floor.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Arizona [Mr. MCCAIN].

AMENDMENT NO. 1355

(Purpose: To limit the amount of deposit insurance per depositor per institution)

Mr. MCCAIN. Mr. President, I have an amendment at the desk. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Arizona [Mr. MCCAIN] proposes an amendment numbered 1355.

Mr. MCCAIN. 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 207, line 8, before the period, insert the following: "for deposits not described in paragraph (3) and $100,000 for deposits described in paragraph (3)".

Mr. MCCAIN. Mr. President, this amendment will limit deposit insurance to $100,000 of coverage per person per institution for regular deposit accounts. It will also limit coverage to $100,000 per person per institution for retirement or pension accounts. This would cover individual retirement accounts known as IRA's as well as provide passthrough deposit insurance coverage for employee benefit plans and qualified deferred compensation plans.

Mr. President, we are debating the Comprehensive Deposit Insurance Reform and Taxpayer Protection Act of 1991. That is why I am offering this amendment, so that we can protect the taxpayers and also reform deposit insurance.

Federal deposit insurance, as we know, dates back to the Great Depression. Congress passed the Banking Act of 1933 in order to provide basic insurance coverage of $2,500 per depositor per insured institution. As we all know, the purpose of deposit insurance was to protect small depositors and to restore public confidence in the banking industry.

We have come a long way from protecting small depositors. We now protect virtually all depositors, big and small, insured or uninsured, and pass the costs of failures and bailouts on to average Americans, the ones we were supposed to be protecting.

The perversity of Federal deposit insurance is exemplified by the taxpayer bailout of the savings and loan industry. Mr. President, I think it is generally acknowledged that the failure of the savings and loan industry, to a large degree, can be directly attributed to the unwarranted expansion of deposit insurance by the Depository Institutions Deregulation and Monetary Control Act of 1980. Basic coverage was increased from $40,000 to $100,000. No longer was deposit insurance for the small depositor. It became the safety blanket for large, sophisticated depositors and freewheeling bankers.

Mr. President, the small depositor now needs protection from unlimited Federal deposit insurance. This amendment will give the small depositor protection from unlimited bailouts while protecting their deposits. This amendment will protect their pocketbooks and their deposits.

By limiting deposit insurance per person per institution, this amendment will encourage depositors with accounts above the limits to spread their accounts throughout the banking system and reduce their exposure to a bank failure. Unlimited deposit insurance and the too-big-to-fail policy have drawn deposits to large banks. Limiting deposit insurance and ending too-big-to-fail will end the flight of deposits to large institutions solely because the depositor believes that the large institution is too big to fail.

Mr. President, I think it is very important to emphasize that this amendment would cover the deposits of 97 percent of the depositors in this Nation whose average deposit, by the way, is $8,000. It would not cover uninsured deposits or deposits above $100,000. The deposits of the average American clearly would be covered, but the average American would not be exposed to the $3 trillion in contingent liabilities now covered by Federal deposit insurance.

Without enactment of this amendment, the legislation will provide little protection to the taxpayer. The combination of this amendment and the elimination of the too-big-to-fail policy contained in the legislation we are considering in my view will protect the taxpayer.

The amendment will have other beneficial effects as well. By limiting deposit insurance coverage and thus limiting the moral hazard inherent in Federal deposit insurance, bankers will have the incentive to limit the risky and speculative activity that led to the taxpayer bailout of the savings and loan industry. It is shocking to me that Congress has not learned the simplest of lessons from the savings and loan debacle, that simple lesson being that unlimited deposit insurance backed by the full faith and credit of the taxpayer will encourage unduly risky behavior, more bank failures, and another taxpayer bailout.

Mr. President, my amendment limits the incentive for banks to engage in unduly risky behavior. It protects the

average American from another enormous bailout.

Most importantly, it protects the checking and retirement accounts of small depositors. Deposit insurance was never intended to be a virtually unlimited contingent liability backed by the full faith and credit of the taxpayer. It was intended to protect the savings of the small depositor and maintain public confidence in our banking system.

I believe that this amendment will restore the average American's confidence in our banking system, protect them from another bailout, and protect their hard-earned savings.

Mr. President, I know the objections to this amendment will be based to some degree on the impact that this might have on the banking industry at this time. I fully appreciate that. But I also think that we should seriously consider the impact on the American taxpayer if we are faced with a large bailout of the proportions that we experienced during the savings and loan crisis.

Mr. President, I think it is important—indeed, vital—for us to protect the deposits of the average American citizen, and this amendment will protect 97 percent of them. I think it is also important that we recognize the public confidence is something which is tenuous, at best.

My friend from New York, who was just discussing his amendment concerning the cap on interest rates on credit cards, makes the argument that it was not responsible for the drop in the stock market that took place a few days ago.

I cannot refute his statement. But I think the volatility of the stock market is clearly affected by whether we as a Congress are able to enact truly meaningful banking reform legislation, of which this is only a part.

Mr. President, I really feel, in the strongest terms, my appreciation for the chairman of the committee, Senator RIEGLE, and Senator GARN, for their efforts, and their continuing efforts to get legislation enacted.

If we are content, if we leave to go home on recess with a very very narrow bill that only recapitalizes the bank insurance fund without significant reforms as contemplated in the legislation before us, I am very concerned about the future stability of the banking industry in this country. I feel this amendment will do a great deal in that direction.

Mr. President, I know the chairman and ranking member, the two managers of this bill, will oppose this amendment. So I have very little optimism about its passage. At the same time, I hope that they recognize, as most financial experts do, that at some point we will have to address this issue of how much of a burden are we going to lay on the taxpayer, because we clearly have seen in the past that if deposits are insured under any circumstances, it will encourage reckless behavior on the part of those in whom we have entrusted these deposits.

Mr. President, I will be very grateful for additional legislation or other ways that we can protect the depositor. At the same time, I think this amendment is a viable and reasonable one.

Mr. President, I yield the floor.

Mr. GARN addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah [Mr. GARN].

Mr. GARN. Mr. President, I understand the concern of the Senator from Arizona and where he is coming from on this amendment. I would only add a very brief history lesson on this issue. Sometimes I wish I was still a freshman Senator and had no memory of the things that had gone on.

But in this particular field, unfortunately, for the last 17 years, I have been part of almost every meeting that has gone on. I was part of the Senate-House conference committee when the decision was made to raise the insurance amount to $100,000 per account. At that time, it was $40,000. The Senate had passed a provision to go to $50,000, thinking that a $10,000 increase would be helpful. And in the conference, it was agreed to go to $100,000.

The reason for that, to put it in the context of 1980, is we had just come out of the highest interest rates, certainly in my lifetime, with 21½-percent prime, and a massive amount of money flowing out of the traditional depository institutions to money markets accounts. The new boy on the block had been invented, and you could pay your mortgage on a third-party checking account on your money market fund.

So that was having a disastrous impact on the depository institutions to have $300 billion leave.

So in hindsight, you can look back and say $100,000 was maybe too much. But in the context of that time, when we were threatened with massive runs on the banks, the reason it was raised to that amount was to put confidence back into the depositors. Congress not only went to the $100,000, but they passed resolutions that year that said beyond the $100,000, we place the full faith and confidence of the American taxpayer, so that you did not have a banking system fall apart.

Now, in light of the S&L crisis, it certainly is correct to say that the exposure would have been much less had we not raised it to $100,000. If the Senate position had been maintained at $50,000, the exposure would have been half. That is all true. But I think it is necessary to see what the situation was at the time.

I will admit that, even with my knowledge of 1991, with the situation in 1980 of that massive outflow of over $300 billion of funds, there needed to be some changes made in order to put consumer confidence back into those institutions so that we did not have massive failures.

I can see the justification that the Senator from Arizona makes. He makes some very good points. But to take away the $100,000 in multiple accounts now would simply cause another crisis of confidence. It is one of those things, How do you get from here to there? I wish I had the answer.

But I must oppose the amendment because I think it would have that impact, and particularly on the small institutions. Most of the independent bankers and the small consumer banks are worried now about the situation of an amendment of this type being passed and you would have a big outflow from their institutions to others. There would be big shifts of money, not only locally, but in regions, as well. And they are very much opposed for that reason.

So although the Senator makes some very good points, and it makes sense in many cases to talk about removing it, from a practical standpoint in the confidence out there in the marketplace with depositors, I think if this amendment did pass, however worthy, you would see a massive shift of funds. It would be mostly the smaller banks in this country that would experience that.

So for that reason, I will oppose the amendment.

Mr. RIEGLE address the Chair.

The PRESIDING OFFICER. The Senator from Michigan [Mr. RIEGLE].

Mr. RIEGLE. I thank the Chair.

Mr. President, my thoughts parallel those of the Senator from Utah. When I started out in drafting this bill, I actually put a provision in such as the Senator from Arizona had suggested. I think if we were starting from scratch with the deposit insurance system, that idea has a lot of merit.

But I think the problem is that we are not starting from the beginning. We are starting with an existing situation. As the Senator from Utah pointed out, I think you would have a lot of money withdrawn from certain banks. But as that money was withdrawn, they in turn would have to call a lot of the loans that they have made in local communities. So you get a contraction effect in the economy, obviously, at a time when we do not want to see that happen.

In terms of where the losses have come from in the banking system, they have come because a number of banks have engaged in too many risky activities; principally, consumer real estate lending, the too readily use of broker deposits, and problems with insider lending. I think it is fair to say, in assessment, that many times troubled banks were not dealt with strongly enough in the early going by the regulators, and they got themselves in deeper trouble.

We have had this problem with "too big to fail," which the Senator from Arizona has mentioned. We have undertaken to correct that here. Yet, even that problem cannot be corrected immediately, as much as we would like to, because we have cornered-in practices that will take the better part of 5 years to undo, in order to do it in an orderly rather than a disorderly way.

So these are the principal factors that have led to the insolvency of the bank insurance fund.

These are the things the bill is designed to cover. With respect to community banks, in many cases we have done some analyses to find out where these multiple accounts are found, and they tend to be found in community banks where you have a lot of retirees—particularly in small towns across the country—who have chosen to put their entire life savings in a local bank, and to break them up in these various accounts. Sometimes they will do it when they sell a business, sometimes when they have sold their home, or when they have received insurance payments. Also, we found that nonprofit organizations tend to place large amounts of cash in local banks. So they have deposited funds in these multiple accounts in order to maintain the deposit insurance protection. I grant that this was not the original design of the system. In effect, a kind of an anomaly has developed.

A survey of community banks was done in 1990 by the Independent Bankers Association, and among those responding to this survey, on average, 45 percent of their depositors hold more than one account, and individuals with four or more accounts comprised, on average, approximately 30 percent of these community banks' total assets. The IBA concluded that limiting the number of insured accounts per institution "would severely and permanently disrupt the ability of community banks to fund their lending activities and support the financial needs of their community and State."

I think it is fair to say that a smaller deposit base from community banks will result in fewer loans to small businesses, to farmers, and to consumers at that level. So that is part of the concern here, the fact that if we do this now, we may be, in effect, adding to a problem rather than solving one.

Having said that, the concerns that the Senator has raised have been concerns we have had. If we were starting from scratch in the system, I think our views might well be different. For those reasons, I, too, would oppose the amendment.

Mr. SASSER. Mr. President, I rise today to oppose this amendment to limit deposit insurance protection for individuals. I do not believe that limiting coverage at institutions would achieve the goal of reducing the Government's contingent liability, instead, it takes a blow at communities, individuals, retirees, and homeowners. During this sensitive time in our economy, I do not think that we should be making changes to deposit insurance that could further reduce consumer confidence and exacerbate the recession.

All this amendment will do is shift funds. In order to get full coverage, the customer could just go across the street and open another account. Moreover, I do not believe making changes to individual deposit insurance coverage at this time would be good for the banking system, the economy, or American savers.

In particular, it would be a vote of no confidence in our Nation's community banks. Mr. President, it is our community banks that are the mainstay of our banking system, if not our economy. They have by and large rejected the speculative investments that bigger banks made in the 1980's. They are the most profitable segment of the banking system. To adopt this amendment would be to attack those banks that have made the productive investments and loans that our economy desperately needs. This amendment could cause deposits to shift from well-managed community banks to too big to fail institutions that pose the most risk to the system. The extension of the Government's contingent liability emanates from the too big to fail policy and from brokered deposits—not individuals.

Mr. President, I think today, more than at any other time since the Federal Deposit Insurance System was instituted, faith in the system is at a low point. The Nation's banking system is in crisis. People do not know what to expect. Pulling the rug out from individual depositors could be very harmful. All we need now is for people to start putting their money under their mattresses. I believe that public confidence could be further eroded if the number of insured accounts that an individual may have at an institution were limited.

The former Chairman of the FDIC, William Seidman, warned of negative public perception of cutting back coverage. He testified before the Senate Banking Committee earlier this year, that "while streamlining deposit insurance coverage may have some benefits in terms of shrinking the safety net, we do not know what the full effects will be * * * any negative effects on public confidence must be weighed against changes to coverage that may have no meaningful reduction in risk to the fund."

Mr. President, I believe that any further deterioration of consumer trust could be devastating. The attempt to reduce the drain on the insurance fund by limiting accounts could in itself actually make it worse.

As the counsel for Government affairs for Consumers Union, Michelle Meier, testified before the Senate Banking Committee, "coverage restrictions could increase, rather than decrease, the instability of the banking system."

The General Accounting Office has strongly recommended that deposit insurance coverage for individuals not be changed now. Comptroller General Bowsher testified before the Banking Committee on the similar Treasury proposal to limit coverage. He said "Treasury places more emphasis on reducing deposit insurance coverage * * * than GAO believes is possible or consistent with maintaining market stability."

Individual depositors do not have the sophistication to determine the condition of an institution—regulators have a difficult enough time with that and that is what we have regulators for.

Individual depositors are not causing the bank failures—bad loans, bad regulation, and excessive growth funded by brokered deposits are the root of the problem. The massive failures of banks were not caused by retired people who took lump-sum pensions or who sold their homes and put the money in the bank for security. We should not punish individual depositors for the ills of the banking system.

As a result of limiting deposit insurance, Mr. President, depositors will find other ways to protect their money—bringing greater instability to the system and putting the insurance fund at increased risk. Reducing the number of insured accounts could have a significant impact on where people place their money.

GAO says "it is less costly and easier to move the deposit than it is to determine if the bank in which it is placed is sound, depositors who feel their funds are at risk will tend to move their funds at the first sign of any problems."

Large depositors who want to develop a business relationship with a bank would be more likely to move their funds to too big to fail institutions. Consumers Union expressed this concern:

> Depositors that are nominally uninsured can receive 100 percent insurance coverage by placing their funds in large institutions that will never be liquidated. Consequently nominal deposit insurance coverage restrictions will do more to increase the competitive advantage of large banks—and undermine the competitive position of small- and medium-sized banks—than to force all banks to compete on the basis of their balance sheets.

While the bill, S. 543, works toward ending the too big to fail policy, it is not eliminated. The failure of a bank deemed to pose systemic risk would continue to be covered in full. This distorts any existing grain of market discipline. As long as some banks can be too big to fail, depositors will see those banks as safer, whether or not they really are.

The bill provides the Federal Reserve and the Treasury Department the discretion to deem the failure of an insured depository institution as a systemic risk if it "would have serious adverse effects on economic conditions or financial stability." With this loophole, there will be a strong incentive for large depositors to put their money in the big banks, without regard for the health of the institution. If a large bank fails, then the cost to the insurance fund would be even greater.

Moreover, community banks are stronger than big banks. If one of the goals of limiting deposit insurance coverage is promoting greater market discipline—to shift deposits to safer banks—then the effect of this amendment would do just the opposite. People will spread their money around to a number of banks, or move their funds to too big to fail institutions. There will not be the market discipline to keep deposits in smaller banks that have demonstrated better safety and soundness.

A recent article in the Wall Street Journal reported that William Seidman, after leaving his position at the FDIC, said that the banking system would be best served if many small banks survive. Seidman said "keeping small banks healthy will spur competition and help the banking system survive."

Moreover, as deposits shift to larger institutions in the big cities, smaller institutions in communities throughout the Nation would have fewer deposits. If smaller banks have fewer deposits, then it will become more expensive for them to make loans. Smaller banks will have to pay higher interest rates in order to attract depositors. They will then pass this cost along to their borrowers. As a result, loans from community banks, which the majority of small businesses in this country depend on, will become increasingly more expensive. Moreover, with the decreased deposit base, the lending capacity of community banks will decline.

Moreover, limiting deposit insurance coverage could be a disincentive for saving and could also result in lower premium income to the fund. With the low rates of savings in this country, we should be sending a message encouraging savings and planning for retirement. We should give people a safe place to save for retirement. During the 1980's, the Nation's savings rate fell in half and has been hovering at 4 percent compared to over 9 percent during the 1970's.

If limiting coverage is the desired goal, I submit that the managers of this bill should instead make a serious effort to end the too big to fail policy. Under this policy, foreign deposits of large banks have been made whole, even though not one dime of insurance premiums have been paid on foreign deposits. To me, that is a gross extension of the Government's contingent liability. And that stands in sharp contrast to the deposit base at a community bank, some of which may be over $100,000 but on all of which insurance premiums have been paid.

Furthermore, brokered deposits—deposits placed by money brokers on behalf of large institutional investors—should be curtailed more than they are. They have been the catalyst for excessive growth of poorly managed institutions. If one wants to limit insurance coverage, brokered deposits, and too big to fail are where I would begin, and leave alone retirees and other individual deposits.

Mr. President, the issue of limiting the number of insured accounts per institution is not simply of interest to bankers, restrictions on multiple accounts are opposed by: the American Association of Retired Persons [AARP], the American Bankers Association, the Independent Bankers Association of America, the U.S. League of Savings Institutions, the National Bankers Association, the American League of Financial Institutions, the Conference of State Bank Supervisors, the National Association of State Departments of Agriculture, the National Conference of State Legislatures, the Manufactured Housing Institute, the National Association of Home Builders, the American Consulting Engineers Council, the American Society of Travel Agents, the Financial Managers Society, the National Association of Retail Druggists, the National Society of Public Accountants, the American Association of Crop Insurers, the National Farmers Organization, the National Farmers Union, and the National Grange.

Mr. President, in conclusion, if deposit insurance coverage is limited, public faith in the system could be diminished, there could be further incentive for large depositors to shift their money around and to put their deposits in too-big-to-fail banks—which could expand the Government's contingent liability even further. This could put smaller institutions at a competitive disadvantage, cause capital to leave communities, make capital more expensive, and create greater losses to the fund.

I strongly urge my colleagues to vote against this amendment. I yield the floor.

The PRESIDING OFFICER. Is there further debate?

The question is on agreeing to the amendment offered by the Senator from Arizona.

The amendment (No. 1355) was rejected.

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

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

The motion to lay on the table was agreed to.

THE BANK SECURITIES REGISTRATION AND ADMINISTRATION ACT OF 1991

Mr. WIRTH. Mr. President, when the Banking Committee considered the bank reform package, I worked to include the provisions of S. 380, legislation I introduced in the last Congress and again this year. These provisions became part of the committee print and the legislation ultimately reported. This legislation corrects an anomaly in our securities laws in order to provide additional protection to investors who purchase securities offered by individual banks and thrifts.

Under current law, securities issued by a bank or thrift holding company, like securities offered by most businesses, must comply with Securities and Exchange Commission [SEC] registration and reporting requirements. Securities issued by an individual bank or thrift, or securities guaranteed by a bank, however, are exempt from SEC oversight. Jurisdiction over such securities is instead granted to the primary regulator—the Office of Thrift Supervision, the Office of the Comptroller of the Currency, or the Federal Deposit Insurance Corporation—for the institution issuing the security.

This legislation would repeal the exemption to the registration requirements provided banks and thrifts by the Securities Act of 1933. It would also repeal a similar exemption to the periodic reporting requirements of the Securities Exchange Act of 1934. With these changes, banks and thrifts would have to register their publicly offered securities with the SEC and file regular financial reports with the Commission. Importantly, deposit instruments of banks and thrifts, such as savings and checking accounts, or certificates of deposit, would not be subject to SEC supervision.

The Bank Securities Registration and Administration Act is designed to promote investor confidence and improve the effectiveness and efficiency of securities regulation. The proposal would protect investors by promoting full and fair disclosure of important financial information needed to make sound and informed business decisions. Because four different agencies currently established these standards, investors in bank and thrift securities run the risk that the information they receive regarding their investment is inadequate or not directly comparable. This system results in investor confusion, duplication of regulatory efforts, and higher public and private costs.

The proposal has the strong support of the SEC and a similar plan was supported in 1984 by the Task Group on Regulation of Financial Services, chaired by then Vice President George Bush. The task group's recommendations were endorsed by a number of bank and thrift regulatory agencies, including the Office of the Comptroller of the Currency, the Federal Deposit

Insurance Corporation, the Federal Home Loan Bank Board, and the Federal Reserve Board, as well as the National Credit Union Administration. The administration included similar provisions in its bank reform package.

Unfortunately, I understand that the recent amendment to S. 543 removed these provisions. I would like to discuss this matter with the chairman of the Banking Committee, Senator RIEGLE. Is it correct that the bank and thrift securities registration provisions have been removed from the bill along with the provisions to repeal the Glass-Steagall Act?

Mr. RIEGLE. The Senator is correct. Those provisions have been deleted from the overall package.

Mr. WIRTH. I believe Senator RIEGLE made the right decision in removing the Glass-Steagall provisions so that our efforts and attention can focus on more urgent priorities. Although I do not agree that the securities registration provisions should be tied to the Glass-Steagall provisions, I recognize that others feel that way. Like the chairman, I do not want to delay passage of this legislation.

Accordingly, I did not object to consideration of the new package and will not seek to restore my provisions to the legislation. However, I would like to determine if the chairman would be willing to move the securities registration provisions as free-standing legislation.

Mr. RIEGLE. I thank the Senator for his willingness to refrain from pursuing his provisions in order to help the package move forward. I agree that passage of the securities registration proposal does not have to be tied to passage of Glass-Steagall repeal. The Senator has introduced the securities registration requirements as S. 380 and I will look at moving that legislation during the second session of the 102d Congress.

Mr. WIRTH. I thank the chairman for his commitment to pursue my proposal and look forward to working with them on this matter during the next session.

Mr. RIEGLE. Mr. President, I am not aware of any other Senator being willing to offer an amendment tonight. Senator GRAHAM of Florida intended to, but he has come down with a case of laryngitis and is not in a position to do that tonight. I know Senator GARN has an amendment by Senator MURKOWSKI that he will lay down tonight. It is the last order of business and will become the first pending order of business in the morning.

I want to say to Senators that have amendments that they wish to offer tomorrow, that it is very important that we undertake to finish this bill tomorrow. The majority leader stressed that. There are other items on the calendar that need to be dealt with. We have a situation where we are very near the end of the session. This bill, when finished, is going to have to go to conference and come back. We have other items to attend to in the Banking Committee, such as the RTC refinancing. So it is very important tomorrow that we are able to move through these amendments as rapidly as we can, to seek and to get time agreements, debate these issues, have our votes, settle these questions, and get to final passage as early as we can tomorrow.

Mr. DOLE. Will the Senator yield?

Mr. RIEGLE. Yes.

Mr. DOLE. There is a distinct feeling on this side that we are wasting a lot of time. There are 40-some amendments floating around out there. After a full day today, we have had one vote on a sense-of-the-Senate resolution. We are just marking time here for some reason. Nobody quite knows why. We are not going to finish this bill. If the Senator from Michigan knows something the rest of us do not know, how we are going to dispose of all of those, plus others that have not been introduced yet, I think it would be helpful to all of us.

My view is that we are waiting for the House to send us over some little bobtail version of banking reform, which we can act on later this week. I do not think anybody feels we are going to finish this bill tomorrow, or Wednesday, or Thursday, or Friday, or Saturday.

Mr. RIEGLE. Well, let me respond to the Senator. I certainly hope that forecast is not accurate. Maybe he has information I do not have. We had a meeting last night with members of the staff over at the Treasury Department, and the view in that session, which included senior staff members of both sides of the aisle of the Banking Committee, was that we ought to move ahead with the bill today. And we have resolved three of the four major items of contention in the bill. That does not mean we have done so to everybody's perfect satisfaction, but the Glass-Steagall issue, interstate banking issue, and the insurance issue have already been decided. The consumer issues were left as the main portion of the bill around which there was contention. We are going to lay that down tonight in the form of the Murkowski amendment. That will be the first issue out of the box tomorrow.

Frankly, my own view is that the amendments that are left are—and, of course, every Senator's amendment is important—are not in the same category of size and significance as the major issues that have already been settled on this bill. The representations made to me by the Treasury Department is that they want to get this bill done. They feel strongly that the provisions we have incorporated are important and ought not to be dropped over the side. I agree with that.

So it is my intention to try to move on through the bill tomorrow. In the Senate, one person, two people, three people can throw a monkey wrench into it. This legislation needs to pass. If these problems are not dealt with, they will haunt us in the future. I hope we will pass a bill that is broad enough and does enough to try to really put some strength into the banking system.

Mr. DOLE. If the Senator will yield, I wonder, maybe he has clarified the work. Secretary Brady would like to do precisely what you have outlined. I am not on the committee, and I have not been deeply involved in this legislation, but, as I look over the schedule for the remainder of the week, I am fairly optimistic about maybe adjournment by the weekend. That is why I wanted to get some reflection from the chairman, and maybe the ranking member, if there is any—if it took all day to dispose of a sense-of-the-Senate resolution, and there are 42 amendments left, I do not know. Maybe the others are not that important. A sense-of-the-Senate resolution is not too heavy-lifting around here.

Mr. RIEGLE. If the Senator will yield, sometimes a sense-of-the-Senate resolution—often starts out in a different form, and then ends up in that form. That is sometimes one of the ways we settle these issues. We started about 1 o'clock today, and we had a number of Members coming in from out of town. Some were not able to get here in time to offer their amendments. I regret that we could not do much about it.

As I look at the list for tomorrow, the Murkowski amendment which we will start out with, and another amendment by Senator COCHRAN in that same area, I view as sort of the critical outstanding amendments. There is a pay-as-you-go amendment by Senator KERRY of Massachusetts; one by Senator GRAHAM of Florida; maybe an issue between Senator DOMENICI and Senator BRYAN, although I am hopeful that issue might be settled; and then a manager's amendment. I am not aware of other huge, looming amendments. That is not to say something else will come up later—you never know around here, because amendments can be invented at the blink of an eye.

My representation to the Senator, genuinely, is that I think the main issues are behind us. That is not to say everybody is perfectly satisfied. There has never been a time when everybody is around here. I invite the ranking Member to comment, because he would have his sense for it as well.

Mr. GARN. I am happy to respond to the chairman and the distinguished minority leader that we do have a very difficult problem here. There is no doubt about it. I made some suggestions last Thursday, that I felt it was a very difficult process, mainly because of the House of Representatives, which

I have experienced many times in my career of passing bills on the Senate side and not having the House do anything with them. I was afraid we might be heading down that track again.

It was my suggestion that we negotiate between the House and Senate and the Treasury Department very much in the form that we were able to do on the unemployment bill, as well as the civil rights bill, rather than doing it on the floor. Having said that, no one is more disappointed than I am at the turn of events, and the fact that we have not been able to achieve comprehensive bank legislation. I hope that it does not bog down, as the Senator from Kansas has said. I hope that Senators will come and offer their amendments and we can come to a conclusion.

In the final analysis it may not work out and we may end up coming back to what I suggested last Thursday. In the meantime, short of a willingness to do that on the part of the administration and on the part of others, I think we must go ahead and proceed to process the amendments until people are willing to negotiate.

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

Mr. GARN. I yield the floor.

Mr. RIEGLE. Yes, I yield.

Mr. DOLE. I will make one other point and then I am happy to yield. I must say I am encouraged, I just say that to the Senator from Michigan and the Senator from Utah, the managers of the bill. I think it is important that we have this information prior to our party caucuses tomorrow noon because I think there is a desire—the majority leader and I spent some time today going over what might be called the balance of the program this year. Banking was certainly a high priority, should be a high priority. And I would hope that we could have banking reform for all the reasons that have been spelled out by the managers and many others in and out of the administration.

So I am somewhat encouraged. There are not as many amendments I have been told. Apparently many of them can be disposed of rather easily. So if we could conclude action on this bill if possible tomorrow, that would certainly help accelerate the other matters that would be stacked up behind the banking reform legislation.

I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Maryland.

Mr. SARBANES. Mr. President, I simply wish to observe this is one of those bills on which amendments can be manufactured infinitely. There is always that.

I think the chairman is right that there are only a few that still represent major issues. And if Members are prepared to address those, decide them one way or another and then forebear trotting out every possible amendment that could be put on the bill, I think there is a chance that this bill could be finished up. That would give us an opportunity to go to conference and be able to work out a number of these issues and present both houses with a bill.

The administration, I understand, is very anxious to have legislation. I know today was a slow start, but Monday is always a slow start. I tend to agree with the chairman and ranking member. I think there is a real chance you can get this thing moving and work through these amendments. It has taken a lot of work to get this far, and it would be preferable to try to carry it on through rather than have it fall back.

Mr. RIEGLE. If the Senator will yield for a couple of other observations, and I appreciate the observations of the minority leader because he is going to be key in helping us bring this bill to a conclusion.

We have had some extraneous events also take place. We had the bill go down twice in the House, so that has been one factor, because it is not exactly clear what the other body is going to finally decide to do. So we have been attempting to steer our own course without any real reference to what may be happening there.

The other thing is we were coming along quite well on Friday when the unemployment compensation package blew apart, as Senators will recall. I guess it was actually on Thursday night. And then we got involved in that, and so ours had to go off on the side track. Frankly, I think, we would have most of these things now finished, but we had to stand aside while that issue got sorted out. So we come back at it to try to finish up now.

I think the point the Senator from Maryland made is well taken in the sense that, on a big, complicated bill like this, people can invent amendments until the cows come home. I hope once we get the main ones settled, we try to accommodate as many Senators we can on the major amendments. We are working on that now, and we took some today.

In fact, the sense-of-the-Senate resolution was one that got changed. But one other thing, just to put everybody on alert, there was one amendment offered today to bring in the RTC issue in part, RTC restructuring into this bill. It has been my position it is better to leave the RTC out of this bill. It is complicated enough in its own right, the funding and an additional $80 billion for that and the restructuring part. But sometime between now and adjournment that issue is going to have to be dealt with.

The preference of the ranking member and me has been to not have that be part of this bill. This bill is complicated enough without throwing that into it. But they both must be done because both funds, we are told, will be empty by the end of this year. So the problems cannot be resolved either in the savings and loan industry or banking industry without both these bills passing.

I only make that point to say this: We cannot get onto the RTC bill separately until we finish this bill. We have to get this bill out the door and into conference and bring it back and then set to work on the RTC bill. So part of the time today was to try to find an accommodation amendment that would not bring those two together here unless that ultimately is the will of the Senate.

So, I just want to assure the minority leader we are doing everything we possibly can to move this in an orderly, fair, and rapid way. This is legislation that has to pass. There are going to be Senators who are going to vote against it in the end, no matter what is in it because there is $70 billion of borrowed money in this bill, so it is an easy bill not to like.

We are trying to put around it the things that ought to be there to give it some balance and help make the banking system more solid. I think if Members will work with us tomorrow I am in hopes we can finish the bill. If one person or two people decide they want to change the works, you know that is something that——

Mr. DOLE. If the Senator will yield, I just say I appreciate not only his statement, and that of the Senator from Maryland and the Senator from Utah. I will certainly do all I can to be helpful to the managers and I will be taking my guidance from the Senator from Utah [Mr. GARN].

But I would say again I am much more encouraged. Apparently we got misinformation, or I did, on how many issues were left and how many amendments were left. I understand if somebody just wants to frustrate your efforts they can continue to manufacture amendments. I hope that is not the case.

It seems to me that if you have come this far, there is every good reason to try to complete action, and we want to be helpful. I know I speak for the administration and Secretary Brady and I think a number of my colleagues on this side. Some may not agree completely. But I will be working with Senator GARN on this side, the Senator from Utah.

Mr. RIEGLE. I finally say it will be my intention in the morning, after we worked our way through the Murkowski amendment that will be laid down tonight, and I review that major remaining issue that we are going to be tied up with the first thing in the morning and set to go, to endeavor to reach a time agreement on these. Any help we can get from the leaders on

both sides and Members will be greatly helpful to us in getting an orderly program together and work through it.

The PRESIDING OFFICER. The Chair recognizes the Senator from Utah [Mr. GARN].

AMENDMENT NO. 1356

Mr. GARN. Mr. President, I send an amendment to the desk and ask for its immediate consideration. I am offering this amendment on behalf of Senator MURKOWSKI.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Utah [Mr. GARN], for Mr. MURKOWSKI, proposes an amendment numbered 1356.

On page 416, line 1, strike all through page 487, line 13.

Mr. GARN. Mr. President, I do not intend to have debate on this issue tonight. Senator MURKOWSKI agreed that it be laid down and be the first order of business in the morning to be debated. So I would put all of my colleagues on notice that this will be the first order of business and that we do expect a rollcall vote on it.

CREDIT CARD INTEREST

Mr. GARN. While there is a discussion going on here I would simply make some remarks on a different subject. We have several times during the day had various Members of the Senate come over and talk about the interest rate ceiling cap on credit cards. I certainly am smart enough to understand the politics of that issue. It is overwhelming in favor of the amendment that was passed. In fact, I was the only one that spoke against it last week and the only one that spoke against it today at quite great length. But I think it is a very sad situation that the Senate has succumbed to what appears to be a very politically popular issue, when it is just bad public policy.

It is not easy to stand here on the floor and talk against an amendment that is so popular. But at least this Senator cannot stand by and look at the potential harm that would occur if that becomes law. So I want everybody to know that if, at the end of this process, we come back from the House with that amendment in, I will not support this bill whatever is in it, RTC funding or anything else, because as a matter of principle there is something wrong in a free market society when we are attempting to establish ceilings on anything.

I can remember when Richard Nixon succumbed to that and got into wage and price controls when he was President. And particularly to use one example, on beef, he said you can only charge so much per pound. What happened? There was not any beef because the farmers and the cattlemen would not sell at an artificially mandated price by Government that was low and would have cost them money. So they just killed them and buried them.

When they finally wised up at the distortions that were occurring in the marketplace as far as those price controls and the Government arbitrarily deciding what supply and demand ought to decide, they took them off. Then there was an explosion of prices. And who suffered the most? The consumers, because now they were paying for the lost production mandated by those price controls.

We have seen examples of that over and over again. What we are talking about now is the price of money and people. I am amazed with what is happening in Eastern Europe and the Soviet Union, when we talk about free markets. We are going in just the opposite direction. There are plenty of banks that charge 10, 12, and 14 percent.

And to constantly use the big money center banks, I do not dispute the fact that 7 out of 10 are charging 19.8. So what? There are plenty of banks that are not. There are about 14,000 banks in this country. We are not like the European countries where they have a very centralized banking system with only three or four of five banks.

We have credit unions. With all this talk about these big bad banks, if you want to hear a firestorm, talk to the credit unions, the little mom-and-pop credit unions around this country who are equally disturbed with this amendment. And what you will do is probably, if it passes, deny about 30 percent of the people who now have credit cards that they will have one. They will just simply take away the more risky cards because you cannot compare credit card interests to secured loans like a home. If you do not pay your house payment, they can repossess your house. If you do not pay your car payment, they can repossess your car and get some value out of it.

There is absolutely no security behind this. It costs a great deal more to administer and the default rates are much higher. That is why the interest rates are higher.

But the point of it is there are a lot of banks who charge a lot less. At least that is the way I was brought up. In this country, there are a lot of products I go shopping for. And if I think a particular store is too high, I go to a different one. I find a lower price.

I do that with gasoline. I do that with clothes. I do that with most everything I buy.

And you can do that with banks. If you think they are charging too much for their services, you find one that is not. Maybe that is old-fashioned. But at least the Senate decided last week, with only 19 of us voting against, that that free market principle of supply and demand and providing competition by going someplace else and saying I am talking away your business does not work anymore.

Well, beyond the basic principles, this Senator does not believe that Congress is smart enough to determine prices in this country. They did not do a very good job of that in the Soviet Union—they have no idea what anything costs, or what its value is—and in Eastern Europe when we found out what kind of economy they had, and they are struggling to break out of that.

But beyond the basic principles, there is an issue of $160 billion of costs to the American taxpayers for the failed S&L's. And one of the most valuable assets the S&L's have is their credit card business. Their real estate business certainly has not been good. You take away that ability to earn profit and you have devalued the value of that franchise and you will have a lot more of them in the RTC.

So people feel good that we can mandate to knock off 3 or 4 percentage points off their credit cards and we cost them another few tens of millions, if not hundreds of millions of dollars, in another area.

But maybe the Senate just feels that they can get away with that. And they are insulting the intelligence of the average citizen out of this by saying, "Hey, we are going to be real popular, and we going to lower these rates for you." But they are not gong to tell you what it is going to cost you out of your pocket in your tax bill when there is a lot more failed S&L's out there, and when we have taken a lot of profit out of the poor little credit unions.

And all we hear is the big debate about the big money center banks. In my whole career in the Senate, they have always been the boogeyman; 8 or 10 or 12 of them. Well, I would like the American people to remember that there are 13,000 to 14,000 banks out there, several hundred credit unions are still left, hundreds of S&L's that are still around. And there is a lot of other ways, too, that people can get credit cards from nonbanks. There are many other businesses that issue VISA and Master Card and American Express.

I hope we would not continue this political farce. I think I have seen the U.S. Senate the last few days at its worst as far as the demagogic political issue that I understand. I suppose my mail is 9 to 1 against me standing up here and speaking against this. But I would like to think sometime, just once in a while, that the U.S. Senate could stand up for good public policy rather than wetting their finger and deciding what is politically popular at the moment.

This is bad legislation. It is bad public policy. And I do not really care how many times tomorrow my colleagues run out here to get on TV and yell and scream about how they are the great saviors against those big New York City banks, and how we are going to save you, they ought to think of the implications of how it could go further to other products.

And I do remember, and remind those who are old enough to remember, Richard Nixon's wage and price controls. What an absolute, total, and complete disaster they were.

Congress should have no right to interfere in the free market. We should allow it to work as it was supposed to work and intended to work in a democratic free society.

And if, as some charge, there are antitrust violations here, then the solution to that are the antitrust laws and the Justice Department pursuing it if there is collusion. If there is, I am not defending that. But that is not getting at the problem if we merely place arbitrary ceilings.

So if I am the only one left in the U.S. Senate who is going to stand up and give this speech every time someone on the other side gives one, I will give one, and hope the American people will start to wake up that this is a political gimmick to make them feel good.

We have a lot of Senators out here who are coming over and asking me, "Well, how do we get rid of this?", even though they voted for it. What that means is that they wanted to vote for it for the political impact but they certainly hope it goes away some way.

Well, I do not have the solution to that. I really do not. But if it stays as part of this bill, as much as I want a good bill to pass, I will guarantee you that at the end of this process, if it comes back in the House with this in, this Senator will vote against it.

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

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

The legislative clerk proceeded to call the roll.

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

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

MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that there now be a period for morning business with Senators permitted to speak therein.

The PRESIDING OFFICER. Without objection, it is to so ordered.060

MOAKLEY REPORT REGARDING MURDER OF JESUIT PRIESTS

Mr. KENNEDY. Mr. President, 2 years ago, members of El Salvador's United States-trained Atlacatl Battalion entered the University of El Salvador and committed one of the most unconscionable acts in that country's long and brutal civil war—the vicious murder of six Jesuit priests, their cook, and her daughter.

Those murders shocked the conscience of the world and spurred Congress to take long overdue action in cutting aid to El Salvador. United States pressure forced the Government of El Salvador to take action against those responsible and, in a major historic breakthrough, the Salvadoran Government convicted two officers—a colonel and a lieutenant—for human rights violations. These convictions sent an important signal that the days of impunity for human rights violations by the military were numbered.

Now, in a disturbing report released today, Representative JOE MOAKLEY, the chairman of the Speaker's Task Force on El Salvador, has presented new allegations that the masterminds of the atrocity remain free in El Salvador.

The report concludes that there is strong circumstantial evidence to suggest that the crime was plotted by senior Salvadoran Army officials, including the current Defense Minister, the Deputy Defense Minister, the Commander of the Air Force, and the Commander of the Army's First Brigade, and that subsequently, the army initiated a coverup, destroying critical evidence and blocking the judicial investigation of the murders.

According to Representative MOAKLEY, all of the information presented in his report was already known by the Bush administration.

All of us who care about human rights owe a debt of gratitude to Representative MOAKLEY for the progress he has made—in the face of innumerable obstacles—in the investigation of these murders. His perseverance and commitment to justice have led to new evidence which otherwise would never have been brought to light.

If true, the evidence in his report makes a mockery of the trial of the murderers of the Jesuits and our continued military support for the Government of El Salvador. It also raises serious questions about the good faith of the Bush administration in pressing for a full investigation of this crime.

The Foreign Operations Act of 1991 required the President to terminate all military assistance to El Salvador if he determined that its government had failed to conduct a "thorough and professional investigation into, and prosecution of those responsible for, the [Jesuit] murders."

The President found that the Armed Forces' cooperation in the investigation had "not been satisfactory." He found that military officers had provided "sketchy or contradictory testimony." He found that their testimony and actions had "raised questions about possible involvement beyond those currently indicted." And he found that important "questions remain[ed] unanswered." Despite these findings, the President failed to terminate military assistance to El Salvador.

On October 31, Senator DODD and LEAHY, joined by Congressmen OBEY and MOAKLEY, expressed to Secretary of State James Baker their concern that the President had not terminated military assistance to El Salvador. They requested Secretary Baker to provide Congress with a comprehensive report January 1, 1992, on the extent to which the government of El Salvador has conducted a thorough and professional investigation and prosecution of those responsible for the murders.

Congressman MOAKLEY's report makes it essential for the administration to provide Congress with more than another whitewash of events in El Salvador. The Moakley report lists considerable evidence—including eyewitness accounts—indicating that the decision to murder the Jesuits was made at a meeting of officers on the day before the killing took place.

The administration should respond to this evidence in detail. It should indicate when the Department of State and the Central Intelligence Agency first became aware of this evidence and why the administration did not make it available to the Salvadoran judicial system. And it should explain why the President failed to terminate military aid.

If America is to retain its role as the leader of the free world, it should be in the forefront of support for the ideals of freedom and democracy—not the forces of corruption and repression. It is time for Congress to insist on better answers than we have had so far from the Bush administration.

I ask the unanimous consent to include the text of Representative MOAKLEY's report in the RECORD.

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

STATEMENT OF REPRESENTATIVE JOE MOAKLEY, CHAIRMAN OF THE SPEAKER'S TASK FORCE ON EL SALVADOR, NOVEMBER 18, 1991

This is, I suspect, the final statement that I will make as Chairman of the Speaker's Special Task Force on El Salvador, The Task Force was created to monitor the investigation into the murder of six Jesuit priests, their cook and her daughter at the University of Central America (UCA) two years and two days ago. Since the Task Force was created, we have issued one main report supplemented by occasional statements on my part and interim reports from staff.

I do not intend to repeat, in this statement, what we have said before. I want, instead, to complete the record to the extent that rules of confidentiality and good faith allow me to do so.

I find this desirable because I felt from the beginning that the people of El Salvador deserve as full an accounting as possible of what is known about the Jesuits' case and the resulting investigation. I find it necessary because our Task Force was charged by Speaker Tom Foley with sharing what we learned what the Members of the House and with the American people. I find it important because of a statement from the Government of El Salvador that the "Jesuits' trial showed that our criminal justice system works." And I find it worthwhile to respond to a book length rebuttal of our work

that was issued by something called the Central America Lawyers Group. According to that group, none of whose names are listed in the publication, "the Moakley Commission indicts the entire El Salvador Armed Forces as being responsible for the murders of the priests, yet presents no evidence of any specific orders, general policy, or permissive environment fostered by the High Command demonstrating institutional guilt."

I cannot fulfill my obligation as Chairman, nor can I respond to the criticisms that have made, without explaining more completely the basis for some of the statements I have made concerning the investigation in the Jesuits' case and the subsequent trial. I have contended, for example, that high-ranking military officers knew soon after the crimes were committed who was responsible but failed to come forward with that information. I have also stated my belief in the possibility—not the certainty, but the possibility—that the murders were ordered by senior officers other than Col. Benavides, the man who has been charged—and now convicted—of doing so. Although I have cited a number of reasons in previous statements for my beliefs, other information has not been cited because the sources of that information were not willing to be identified.

Today, for reasons of completeness, I will cite that portion of the information provided to us in confidence that I believe is most credible and that is most central to the statements I have made in previous reports. In so doing, I emphasize that this statement is based entirely on information provided directly to the Task Force by Salvadoran and other non-classified sources. In fact, aside from some cable traffic that was reviewed very early in our work and that is not relevant to anything in this statement, I have not sought—nor have I received—significant access to classified information or documents.

Before continuing, I want to mention a couple of related things for the record.

First, I believe that those in El Salvador and in the United States who have suggested that our Embassy orchestrated a cover-up of this murder case simply do not know what they are talking about. There is no question that the Embassy made some poor judgments during the difficult and often chaotic process of monitoring this investigation. But Ambassador Walker, his legal officers Richard Chidester and Stu Jones, and other key Embassy personnel devoted thousands of hours to this case and to the effort to see that justice would be done. Although the Ambassador is restrained by his position and responsibilities from detailing many of these efforts, I know that he has acted consistently and at times courageously in pursuit of the truth.

Second, I want to acknowledge the fact that, despite my criticisms, the Salvadoran judicial system is making important progress. The Jesuits' trial, the recent indictments of a number of wealthy Salvadorans in a bank fraud case, and the resolution of the Zona Rosa case involving the murder of U.S. marines—all represent important steps forward. In addition, reforms resulting from the peace negotiations should provide the judicial system with important additional resources and should lead to the development, in time, of a professional civilian investigative capability. The conviction of Col. Alfredo Benavides in the Jesuits' case does, indeed, prove that a high-ranking Salvadoran military officer can be held accountable for the murders of prominent people provided there is sufficient international attention and pressure brought to bear on the case. This is indeed a limited accomplishment, but it is an accomplishment nevertheless.

Third, I want to give credit once again to the President of the Supreme Court, Mauricio Gutierrez Castro and the judge in the Jesuits' case, Ricardo Zamora, for their courage and skill in pushing that case forward. And although I have been critical of President Alfredo Cristiani at times, I do give him credit for encouraging the military to cooperate in the investigation and for the symbolic importance of his willingness to testify personally in the case. I believe the President was genuinely shocked by the murders of the Jesuits; that he made a sincere effort a the outset to push the investigation forward; and he insisted—at critical moments early in 1990—that the armed forces accept responsibility for the crimes. Without his efforts I do not believe that the most direct perpetrators of the crimes would ever have been identified.

Finally, I want to extend my thanks to those in the Salvadoran armed forces who did come forward voluntarily—albeit confidentially—with information in this case. In saying this, I do not mean those who simply passed on rumors, those whose stories are contradicted by other facts known to the Task Force, or those who offered information in return for favors of some sort. I am speaking of individuals who are experienced, respected and serious people, who were in a position to know the information they conveyed, who understood the harm done to the Salvadoran armed forces by the murders of the Jesuits, and who do not share the view that military officers in that country should be above the law. It is these respected—and I believe credible and sincere—individuals who are the source of much of the information described below.

I want it understood that these people incurred great personal risk in talking to the Task Force. Although I encouraged them to come forward and testify officially concerning their knowledge in the case, they refused to do so. All cited the risk of retribution against themselves or their families by extreme rightwing elements of the armed forces. Some said they had already been warned not to talk. Some said they would violate the confidences of others if they were to speak openly. None expressed faith in the protective capabilities of the United States. None wanted to leave El Salvador. And none expressed faith in the ability of the judicial system to convict high-ranking officers even with the evidence they could provide. As a result, I have an ongoing obligation to them and to their families not to identify them publicly and I will not violate that obligation.

Below is a summary of information about two central points that has been provided to the task force by these confidential sources, but which was not included specifically in previous reports:

THE EARLIER MEETING

1. According to these sources, the decision to murder the Jesuits was made at a small meeting of officers held at the Salvadoran Military School on the afternoon prior to the murders (November 15, 1989). Among those present were Col. Benavides, commander of the military school; Gen. Juan Rafael Bustillo, then head of the Salvadoran Air Force (now assigned to the Salvadoran Embassy in Israel); Gen. Emilo Ponce, then Chief of Staff and now Minister of Defense; Gen. Orlando Zepeda, deputy Minister of Defense; and Col. Elena Fuentes, commander of the First Brigade. Reportedly, the initiative for the murders came from General Bustillo, while the reactions of the others ranged from support to reluctant acceptance to silence.

The direct and circumstantial evidence that was provided to the Task Force and that supports this version of events includes:

An allegedly eyewitness account of the meeting by an individual known to have been present at the military school on that afternoon;

Confirmation by another individual that the officers listed above were at the military school on the afternoon of November 15th;

The fact, now publicly reported, that the unit that carried out the murders was issued uniforms without insignias or other identifying characteristics late on the afternoon of November 15th;

The secret destruction, by military officers, of the logs indicating the identify of those who came and went from the military school that afternoon;

An allegation that the destruction of the logs was made known to Gen. Ponce in January, 1990, but that this information was not passed on by him to the then Minister of Defense. As a result, the Judge in the Jesuits' case did not learn that the logs had been destroyed until he made a specific request for them three months later;

A report that Col. Benavides told officers at the military school on the night of the 15th that he had "received the green light" to conduct an operation against the Jesuits. This implies that he did not make the decision himself;

A report that one of those present at the meeting with Col. Benavides later directly accused Gen. Ponce and the high command, in their presence, of being responsible for ordering the murders;

A report that Gen. Bustillo told senior Air Force officers, also on the night of November 15th, that a decision had been made to kill the Jesuit priests (citing specifically, Father Ellacuria, the best known of the priests); and

A report that Gen. Ponce told senior officers during a meeting on December 10, 1990 that "we would not be here if I had not made the decision that I did"; to which Gen. Bustillo responded "we have done well, but we must continue to take a hard line".

The account of the afternoon meeting at the military school described above might also explain the statement of a U.S. military officer assigned to the Embassy in San Salvador that he had been told by Salvadoran Col. Carlos Aviles, on the afternoon of November 15th, that "something was going to go down at the UCA" that night. The American officer subsequently told the FBI that he must have been wrong about hearing that statement because Col. Aviles was not in the country on November 15th. The fact is, however, that Col. Aviles returned to El Salvador on November 14th and might have known at least generally about a decision made the following afternoon to kill the Jesuits on the night of the 15th. At the time of the murders, Col. Aviles was serving as the chief of psychological operations on the staff of Gen. Ponce.

COVERUP

2. There is a substantial amount of circumstantial evidence, described in our earlier reports, to indicate the senior military officers in El Salvador must have known, soon after the murders, which unit was involved. This evidence pertains to the number of soldiers involved in carrying out the murders; the operational chain of command on the night of the murders; the close relation-

ship that exists among senior officers; the role of military intelligence in events immediately prior to, and subsequent to, the murders; the destruction of evidence at the military school and so on.

Just as an example, the Task Force interviewed one officer who claimed to have been told by a colleague on the day after the murders which unit had carried it out. The colleague had served in one of the units placed around the periphery of the UCA on the night the murders took place. When asked about the failure of officers with information to come forward, the officer told the Task Force that "in El Salvador, you talk until you find out the truth; but when you find out the truth, you shut up."

More specifically, the Task Force has not previously disclosed information provided to it that one of those later accused of the crimes reportedly confessed his involvement in the murders to his commanding officer in mid-December, 1989. That information was reportedly then passed on to General Ponce, but it was not turned over to those investigating the case.

I offer this information, as I say, to provide additional substantiation to statements made in earlier reports. Those statements concern, first, my view that it is possible—not certain, but very possible—that senior officers other than Col. Benavides ordered the murders. Based on all that I have learned about the Salvadoran armed forces, I personally find this version of events more credible than the alternative, which is that Col. Benavides acted on his own, notwithstanding the chain of command, and took upon himself the awesome responsibility for these crimes.

Second, the information contributes to my conviction that a coverup of the crimes was attempted and that this coverup involved officials at the highest levels. For reasons detailed in earlier reports, the coverup did not fully succeed because of (1) international pressure; (2) disclosures made by a U.S. military officer in early January, 1990; (3) President Cristiani's insistence that the military take responsibility for the crimes; and (4) good, preliminary police work carried out by El Salvador's Special Investigations Unit.

One additional point: the Task Force received information from a reliable Salvadoran source concerning threats made against the lives of several of the Salvadoran officials involved in pushing for progress in this investigation. One of those threats was directed against president Cristiani. There are also widespread suspicions in El Salvador about the deaths of three military officers connected with the Jesuits' case.

In part because of the threat of violence; in part because of the limited control exercised by civilian authorities over the military; and in part because both the U.S. and civilian authorities in El Salvador need to use the leverage they do have over the military to keep the peace process on track; I am under no illusion that the Government of El Salvador is likely to take further steps to investigate this case, or to examine seriously the possibility that top military officers ordered the crimes. I do recommend very strongly, however, that Congress and the Administration bear this information in mind when making further decisions with respect to U.S. policy in El Salvador. In this connection, I note that the information described above—as well as other information bearing on shortcomings in the investigation—is known to the Executive branch.

TERRY ANDERSON

Mr. MOYNIHAN. Mr. President, I rise to inform my colleagues that today marks the 2,438th day that Terry Anderson has been held captive in Lebanon.

But I am happy to note that today we have tremendous news. Thomas Sutherland and Terry Waite, the Anglican envoy sent nearly 5 years ago to negotiate Sutherland's release, are on their way home. And we hear that we may expect the remaining three Americans by months end.

More: In a televised interview, Terry Waite reported that his captors told him today that they "apologize" for capturing him and realize that there is nothing to be gained by holding men hostage. We, in the Senate, have oft asserted that hostage holding is an egregious violation of human rights and international law, but it is significant—and encouraging—that those in Lebanon who are responsible for this prolonged international tragedy have at long last recognized their error. Recognized their crime.

Mr. President, I ask unanimous consent that an Associated Press report relating the events of the day be printed in the RECORD at this point.

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

KIDNAPERS RELEASE TWO WESTERN HOSTAGES; OTHERS MAY BE FREED SOON

(By Eileen Alt Powell)

DAMASCUS, SYRIA.—Shiite Muslim kidnapers freed hostages Terry Waite and Thomas Sutherland on Monday, and Waite said kidnapers told him they would release the last three American hostages in Lebanon by month's end.

Waite said educators Joseph Ciccipio and Alann Steen could be let go within the next five days and the third hostage, Terry Anderson, would join them by the end of November.

Anderson, chief Middle East correspondent of The Associated Press, is the longest held Western hostage. He was seized March 16, 1985. Sutherland, who spent most of his 6 years imprisoned with Anderson, said, "I couldn't have made it through captivity without him."

The two freed hostages, high-spirited and talkative, said they were celebrating their "first gulps" of fresh air and looked forward to meeting the sunshine.

The release of Sutherland, the American dean of agriculture at the American University of Beirut, and Waite, a Briton who was captured while trying to negotiate freedom for the other Westerners in Lebanon, was a dramatic advance toward ending the hostage ordeal.

The United Nations has been leading diplomatic efforts to gain freedom for Western hostages in Lebanon in exchange for the release of Arab detainees held by Israel a condition demanded by the kidnapers.

Sutherland, Waite and Anderson had been considered the most visible hostages, both because of the length of time they had been held and because of Waite's position as a special envoy of the Archbishop of Canterbury.

The release of Waite, 52, and Sutherland, 60, by the group Islamic Jihad, or Holy War, raised speculation that the Israelis may have made a commitment to free Sheik Abdul-Karim Obeid, their most valuable Shiite prisoner.

Waite said at a news conference in Damascus, Syria, that he had no news on two Germans also held hostage. At least one Italian is also among Western hostages in Lebanon.

U.N. Secretary-General Javier Perez de Cuellar said Monday that all Western hostages should be freed by Christmas.

Waite and Sutherland were released in Beirut and driven to the Syrian capital, where they were turned over to Western diplomats.

Following the news conference at the Syrian Foreign Ministry, Sutherland left at 12:45 a.m. Tuesday for Weisbaden, Germany, where he was to undergo medical tests. Waite was expected to fly to Cyprus and spend the night there before going on to Britain.

Waite and Sutherland were in high spirits. They said they had depended on each other for comfort and company, and described spending most of their captivity chained to a wall.

Waite said one captor came to tell them Monday afternoon they would be released. "He also said to me, 'We apologize for having captured you.' They recognize that now this was the wrong thing to do, that holding hostages achieves no useful, constructive purpose."

He also appealed to those "holding the people of South Lebanon, innocent people being held as hostages, to release them soon." Israel and its proxy force in the region, the South Lebanon Army, holds about 300 Arabs.

Sutherland, who wore a maroon sweater with a red carnation stuck in the front, said he and the others were "humbled" by learning over the past few months of the support the hostages had worldwide.

Of Anderson, Sutherland said: "He's a man who should have never been kidnaped" because he was just doing his job as a journalist.

The freed men also showed their sense of humor remained strong. Sutherland teased Waite about his role as a hostage negotiator for the Church of England.

"He came to get me out of there about five years ago . . . We're going to have to get some American technology to the Church of England and show them how to get things done a little bit faster."

Waite, wearing a brown and black sweater over a tan shirt, laughed frequently during the news conference. However, his eyes were puffy and bloodshot.

After the conference, he greeted Britons waiting for him. "I'm just a bit physically weak," he told them.

Sutherland's daughter Joan watched her father's news conference on an airport television in Portland, Ore., then boarded a plane to reunite with him.

"He looks wonderful!" she shrieked. "He looks just like he did before. I just can't believe how good he looks."

Sutherland's brother-in-law, David Murray, said in Ames, Iowa, "Seeing him gets right into the core of you. It's wonderful."

Waite, who had successfully negotiated the release of other Western detainees in Iran and Lebanon, came to Beirut in 1987 to try to free Americans held by the Iranian-allied Islamic Jihad. But he was kidnaped himself and held for nearly five years.

Sutherland was the hostage held the second-longest nearly 6 years.

Six longtime hostages three Americans and three Britons have been freed since August, when Perez de Cuellar took the lead in

negotiations. A Frenchman held for three days also was released.

Perez de Cuellar said the rest should be home in time for Christmas.

"That is what I have been offered by the (kidnap) groups, as well as by the Iranian government, which has always given me very strong support, as well as the Syrian government," he said.

Iran and Syria have pivotal roles in the hostage issue because Tehran backs the Shiite Muslim groups and Syria is the main power broker in Lebanon.

Israel and its allied Lebanese militia have freed 66 Arabs in exchange for the remains of one Israeli soldier who had been missing in Lebanon, and news on two others.

Israel welcomed Monday's releases and said it hoped for word on four other missing soldiers. The government statement made no mention of any future releases of Lebanese prisoners under Israeli control.

The news agency of Qatar, a Persian Gulf emirate, quoted an unidentified Islamic Jihad spokesman as saying his group "expects Israel to reciprocate by releasing another batch of Arab prisoners," including Obeid, who was seized in 1989 in southern Lebanon.

"If Israel reciprocates, then the case of the Western hostages would be resolved altogether," the agency quoted the spokesman as saying in Beirut.

In Los Angeles, Israeli Prime Minister Yitzhak Shamir said he was "very upset and very disappointed" about efforts to find information on the missing Israelis.

Waite was special envoy for the Archbishop of Canterbury when he dropped from sight on Jan. 20, 1987 in Beirut. His disappearance was especially shocking because he had been shuttling in and out of the Middle East for years, working to free captives.

Sutherland, dean of agriculture at the American University in Beirut, was kidnaped June 9, 1985, when gunmen attacked his car as he drove in a convoy from Beirut airport. The Scottish-born Sutherland lived in Colorado.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. McCathran, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting a nomination which was referred to the Committee on Foreign Relations.

(The nomination received today is printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 7:06 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bills, each without amendment:

S. 1568. An act to amend the Act incorporating the American Legion so as to redefine eligibility for membership therein; and

S. 1720. An act to amend Public Law 93-531 (25 U.S.C. 640d et seq) to reauthorize appropriations for the Navajo-Hopi Relocation Housing Program for fiscal years 1992, 1993, 1994, and 1995.

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 amendments of the Senate to the bill (H.R. 2100) to authorize appropriations for fiscal years 1992 and 1993 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 years for the Armed Forces, and for other purposes.

The message further announced that the House has passed the bill (S. 5) to grant employees family and temporary medical leave under certain circumstances, and for other purposes; with an amendment, in which it requests the concurrence of the Senate.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 525. An act to amend the Federal charter for the Boy's Clubs of America to reflect the change of the name of the organization to the Boys and Girls Clubs of America;

H.R. 1304. An act to amend the Communications Act of 1934 to regulate the use of telephones in making commercial solicitations;

H.R. 1612. An act to amend section 108 of title 17, United States Code, to eliminate the library reproduction reporting requirement;

H.R. 1760. An act to amend the AMVETS charter;

H.R. 2324. An act to amend title 28, United States Code, with respect to witness fees;

H.R. 3394. An act to amend the Indian Self-Determination and Education Assistance Act; and

H.R. 3728. An act to provide for a 6-month extension of the Commission on the Bicentennial of the Constitution.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 525. An act to amend the Federal charter for the Boy's Clubs of America to reflect the change of the name of the organization to the Boys and Girls Clubs of America; to the Committee on the Judiciary.

H.R. 1304. An act to amend the Communications Act of 1934 to regulate the use of telephones in making commercial solicitations; to the Committee on Commerce, Science, and Transportation.

H.R. 1612. An act to amend section 108 of title 17, United States Code, to eliminate the library reproduction reporting requirement; to the Committee on the Judiciary.

H.R. 1760. An act to amend the AMVETS charter; to the Committee on the Judiciary.

H.R. 2324. An act to amend title 28, United States Code, with respect to witness fees; to the Committee on the Judiciary.

H.R. 3728. An act to provide for a 6-month extension of the Commission on the Bicentennial of the Constitution; to the Committee on the Judiciary.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, November 18, 1991, he had presented to the President of the United States the following enrolled bill:

S. 374. An act to settle all claims of the Aroostock Band of Micmacs resulting from the Band's omission from the Maine Indian Claims Settlement Act of 1980, and for other purposes.

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-2133. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on appropriations legislation; to the Committee on the Budget.

EC-2134. A communication from the Administrator of the Department of Transportation, transmitting, pursuant to law, a report on the Federal Aviation Administration's schedule for implementation of new facilities of manned auxiliary flight service stations; to the Committee on Commerce, Science, and Transportation.

EC-2135. A communication from the United States Consumer Product Safety Commission, transmitting, pursuant to law, a report on the status of the study of aversive agents; to the Committee on Commerce, Science, and Transportation.

EC-2136. A communication from the Secretary of Energy, transmitting, pursuant to law, a report for Fiscal Year 1990 on Federal Government Energy Management and Conservation Programs; to the Committee on Energy and Natural Resources.

EC-2137. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report addressing the progress that has been made during fiscal year 1990 on the establishment of an oil and gas leasing program for the non-North Slope Federal Lands; to the Committee on Energy and Natural Resources.

EC-2138. A communication from the Acting Deputy Associate Director for Collection and Disbursement, Minerals Managment Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-2139. A communication from the Acting Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-2140. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, a copy of a prospectus for the leasing of space for the Consumer Product Safety Commission in Montgomery County, Maryland; to the Committee on Environment and Public Works.

EC-2141. A communication from the Inspector General, Department of Defense, transmitting, pursuant to law, a report on the annual financial audit of the uses of the

Superfund; to the Committee on Environment and Public Works.

EC-2142. A communication from the Assistant Secretary for Finance and Administration of the Smithsonian Institute, transmitting, pursuant to law, the annual pension report for the Smithsonian Institution, the Woodrow Wilson International Center for Scholars, and Reading is Fundamental; to the Committee on Governmental Affairs.

EC-2143. A communication from the Administrator of the Environmental Protection Agency, transmitting, pursuant to law, a report of the mandated Superfund audit activities of the Inspector General of the Environmental Protection Agency for fiscal year 1990; to the Committee on Environment and Public Works.

EC-2144. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report on the study of the costs of furnishing, and payments for, portable x-ray services under Title XVIII of the Social Security Act; to the Committee on Finance.

EC-2145. A communication from the Acting Chairman of the United States International Trade Commission, transmitting, pursuant to law, a report entitled the Sixty-seventh quarterly report on Trade Between the United States and the Nonmarket Economy countries During January-June 1991; to the Committee on Finance.

EC-2146. A communication from the Chief Counsel, Foreign Claims Settlement Commission of the United States, Department of Justice, transmitting, pursuant to law, a report entitled the Foreign Claims Settlement Commission's Annual Report to Congress for 1990; to the Committee on Foreign Relations.

EC-2147. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements other than treaties entered into by the United States in the sixty day period prior to November 7, 1991; to the Committee on Foreign Relations.

EC-2148. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D. C. Act 9-97 adopted by the Council on November 5, 1991; to the Committee on Governmental Affairs.

EC-2149. A communication from the Chief of the Insurance and Pension Administration Division, Army and Air Force Exchange Service, transmitting, pursuant to law, reports for the plan year ended 31 December 1990; to the Committee on Governmental Affairs.

EC-2150. A communication from the Chairman of the Administrative Conference of the United States, transmitting, pursuant to law, a report on the status of the Fiscal Year 1991 Inspector General Annual Report; to the Committee on Governmental Affairs.

EC-2151. A communication from the Chairman of the National Credit Union Administration, transmitting, pursuant to law, a report entitled the National Credit Union Administration's Inspector General's Semiannual Report for the period from April 1, 1991 through September 30, 1991; to the Committee on Governmental Affairs.

EC-2152. A communication from the Chairman of the United States Merit Systems Protection Board, transmitting, pursuant to law, a report examining the significant actions taken by the United States Office of Personnel Management in providing leadership to some of the Government's human resource management programs; to the Committee on Governmental Affairs.

EC-2153. A communication from the Chairman of the United States Nuclear Waste Technical Review Board, transmitting, pursuant to law, a report on a reimbursable agreement with the General Services Administration for administrative support services; to the Committee on Governmental Affairs.

EC-2154. A communication from the Federal Inspector of the Alaska Natural Gas Transportation System, transmitting, pursuant to law, a report concerning the adequacy of internal controls and financial systems; to the Committee on Governmental Affairs.

EC-2155. A communication from the Director of Selective Service, transmitting, pursuant to law, a report on audits completed during fiscal year 1991; to the Committee on Governmental Affairs.

EC-2156. A communication from the General Counsel of the Department of the Treasury, transmitting, a draft of proposed legislation to authorize the Secretary of the Treasury to issue regulations to require that wages and salaries of Federal employees be paid by electronic funds transfer or any other method determined by the Secretary to be in the interest of economy or effectiveness, with sufficient safeguards over the control of, and accounting for, public funds; to the Committee on Governmental Affairs.

EC-2157. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled reports and testimony: September 1991; to the Committee on Governmental Affairs.

EC-2158. A communication from the Assistant Director for Administration of the National Science Foundation, transmitting, pursuant to law, a report on altered NSF systems of records; to the Committee on Governmental Affairs.

EC-2159. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report on Tier III Federal Agency Drug-Free Workplaces Programs; to the Committee on Governmental Affairs.

EC-2160. A communication from the Assistant Attorney General, Department of Justice, transmitting, a draft of proposed legislation to make a technical amendment to the False Claims Act; to the Committee on the Judiciary.

EC-2161. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report of federal programs that provide services for fund grants, contracts, or cooperative agreements for families whose children are at risk of out of home placement and child abuse that may be associated with homelessness; to the Committee on Labor and Human Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, with amendments:

S. 1571. A bill to amend the Federal Railroad Safety Act of 1970 to improve railroad safety, and for other purposes (Rept. No. 102-219).

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. ROTH (by request):

S. 1981. A bill to extend authorization of appropriations for the U.S. Office of Special Counsel, and for other purposes; to the Committee on Governmental Affairs.

By Mr. METZENBAUM:

S. 1982. A bill to amend the Federal Food, Drug, and Cosmetic Act to establish protections against illegal activities involving drugs and devices, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. D'AMATO:

S. 1983. A bill to delay the implementation of a regulation to prohibit the use of voluntary contributions and provider-specific taxes by States to receive Federal matching funds under Medicaid; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. COATS:

S. Res. 221. Resolution to establish a procedure for the appointment of independent counsels to investigate ethics violations in the Senate, transfer to the Committee on Rules and Administration the remaining authority of the Select Committee on Ethics, and abolish the Select Committee on Ethics; to the Committee on Rules and Administration.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ROTH (by request):

S. 1981. A bill to extend authorization of appropriations for the U.S. Office of Special Counsel, and for other purposes; to the Committee on Governmental Affairs.

U.S. OFFICE OF SPECIAL COUNSEL AUTHORIZATION ACT

• Mr. ROTH. Mr. President, I rise to introduce, by request, legislation to reauthorize the Office of Special Counsel for 5 years. As the ranking member of the Committee on Governmental Affairs which has oversight responsibilities for the Office of Special Counsel, it is my hope that the committee will consider this reauthorization in the near future.

The Office of Special Counsel serves a central function in the administration of Federal personnel law. Since its inception in 1979, the Special Counsel has been given greater and greater responsibility. The Special Counsel provides protection for Federal employees by investigating allegations of prohibited personnel practices within the Federal Government and allegations of activities prohibited by civil service laws, rules, and regulations. In addition, the Special Counsel is responsible for the interpretation and enforcement of the Hatch Act.

The Office of Special Counsel was established on January 1, 1979 by Executive order by President Carter. The Civil Service Reform Act of 1978 expanded the Special Counsel's functions

and powers. Under the 1978 act, the Special Counsel operated as the autonomous investigative and prosecutive arm of the Merit Systems Protection Board. Ten years later, the Whistleblower Protection Act established the Office of Special Counsel as an independent agency within the executive branch. The Office of Special Counsel continues to investigate and prosecute matters before the Merit Systems Protection Board.

A principal function of the Office of Special Counsel is the investigation of complaints of alleged prohibited personnel practices, including those activities covered by the Whistleblower Protection Act. The Whistleblower Protection Act is intended to protect Federal employees who report wrongdoing in the Federal Government.

In its fiscal year 1990 report to Congress, the Office of Special Counsel provided a representative sample of the actions initiated by the Office, including an investigation into a complaint from an employee who alleged that her removal was in retaliation for a letter of complaint to agency officials, and for her cooperation in an internal investigation of an agency official. The OSC confirmed her allegations through an independent investigation and at the OSC's request, the agency agreed to reinstate the complainant, restore all accumulated leave, retirement, and back pay; and purge all references to the removal from her personnel file. This is just one of many of the examples provided.

The Office of Special Counsel also provides a secure channel through which Federal employees may make disclosures of information evidencing violations of law, rule, regulation, waste of funds, mismanagement, abuse of authority, or a substantial danger to public health or safety, without the disclosure of the employees identity and without fear of retaliation.

The Office of Special Counsel is also responsible for providing guidance and enforcing the Hatch Act. Apart from investigating and prosecuting alleged violations of the Hatch Act, the Office of Special Counsel provides advisory opinions in response to employee questions and has published a helpful booklet explaining the coverage of the Hatch Act.

I am hopeful that my colleagues will understand the importance of the Office of Special Counsel and approve this legislation. With this reauthorization, the Senate will be reaffirming its commitment to the merit principles which serve as the basis for our civil service laws. I ask unanimous consent that a copy of a letter to Vice President DAN QUAYLE in his capacity as President of the Senate on this reauthorization be printed in the RECORD.

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

U.S. OFFICE OF SPECIAL COUNSEL,
Washington, DC, April 29, 1991.

Hon. J. DANFORTH QUAYLE,
President of the Senate,
U.S. Senate, Washington, DC.

DEAR MR. PRESIDENT: I am pleased to enclose for the consideration of Congress a proposed bill to extend authorization of appropriations for the U.S. Office of Special Counsel (OSC) for fiscal years 1993 through 1997.

Since 1979, the OSC has had the statutory responsibility to investigate allegations of prohibited personnel practices defined by law in the Civil Service Reform Act (CSRA) of 1978, as amended, and to initiate corrective and disciplinary actions when such remedial actions are warranted. The OSC is also responsible for the interpretation and enforcement of the Hatch Act provisions on political activity applicable to federal employees and certain state and local government employees. Finally, the OSC provides a secure channel through which federal employees may make disclosures of information evidencing wrongdoing in the federal government, without fear of retaliation.

Appropriations for the OSC are currently authorized only through fiscal year 1992. Enactment of the proposed bill will enable the OSC to continue its important work to assure the protection of the rights of federal employees, and the integrity of the merit system safeguards for those employees. We urge that this proposed bill receive prompt and favorable consideration.

The Office of Management and Budget advises that there is no objection from the standpoint of the Administration's program to the submission of this proposed bill to the Congress.

With respect,
MARY F. WIESEMAN,
Special Counsel.●

By Mr. METZENBAUM:

S. 1982. A bill to amend the Federal Food, Drug, and Cosmetic Act to establish protections against illegal activities involving drugs and devices, and for other purposes; to the Committee on Labor and Human Resources.

DRUG AND DEVICE ENFORCEMENT ACT

● Mr. METZENBAUM. Mr. President, I rise to introduce the Drug and Device Enforcement Act of 1990. This bill provides important new enforcement authority for the Food and Drug Administration in its regulation of drugs and medical devices.

Mr. President, the public, the Congress, the administration and the Food and Drug Administration have been terribly troubled by the scandal that occurred in the generic drug industry and by the involvement of several FDA employees. Thanks to the oversight work of Congressman JOHN DINGELL's oversight subcommittee, the scope of this scandal is known. The time has come to take the necessary legislative steps to assure that scandals of this type are not repeated at the FDA.

Unfortunately, scandals involving government procurement or grant or regulatory programs occur all too often. We only need look to recent episodes at the Pentagon and in our housing programs to see that white collar crime is not limited to certain industries or certain Government activities. Wherever the Government is lax and there are large sums of money to be made, as was the case with generic drugs, the Government must be vigilant.

Last year, the administration introduced legislation in the Senate that would have given FDA additional authority to "debar" individuals and companies for certain acts that compromise the FDA approval process. That bill was not limited to generic drugs because, as FDA said in June 1991, testimony in a House hearing, "although improprieties in the generic drug industry have taken center stage, fraud can be perpetrated by any company that FDA regulates."

I was encouraged by the administration's aggressiveness in seeking much needed legislation. I introduce this bill today to accomplish the same objectives of establishing strong deterrents to wrongful behavior and effective authority for assuring the integrity of the FDA regulatory process.

Mr. President, I am mindful that the House has recently passed similar debarment legislation that only covers human generic drugs. While legislation of that type is needed to restore consumer confidence in the FDA and generic drugs, I have no question that broader legislation, along the lines of the administration's bill, is called for.

The Drug and Device Enforcement Act of 1991 provides several new enforcement tools for the FDA in the regulation of all human and animal drugs and medical devices. To further explain the provisions of the bill, a summary will follow my statement. While I also am concerned with the need for similar authority in the regulation of food and cosmetic products, I have not included it at this time. There are significant differences in how FDA regulates food and cosmetic safety, so additional time may be needed before this bill is expanded to include these other FDA regulated products.

Mr. President, I ask unanimous consent that the bill and the summary of the bill be printed in the RECORD at this point.

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

S. 1982

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 "Drug and Device Enforcement Act of 1991".

SEC. 2. SANCTIONS FOR ILLEGAL ACTIVITIES INVOLVING DRUGS AND DEVICES.

(a) SANCTIONS.—Chapter III of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 331 et seq.) is amended—

(1) by inserting after the chapter designation the following:

"Subchapter A—Prohibitions and Remedies";

and

(2) by inserting after section 307 (21 U.S.C. 337) the following new subchapter:

"Subchapter B—Sanctions for Illegal Activities Involving Drugs and Devices

"SEC. 311. DEBARMENT.

"(a) MANDATORY DEBARMENT.—The Secretary shall debar an individual if the Secretary finds that the individual has been convicted of a felony under Federal law involving conduct relating to the development or approval or the process for development or approval of a product, or relating to the regulation of a product or activity subject to regulation by the Food and Drug Administration.

"(b) PERMISSIVE DEBARMENT.—

"(1) IN GENERAL.—The Secretary may, on the initiative of the Secretary or in response to a petition, debar an individual described in paragraph (2) or a person, other than an individual, described in paragraph (3). The Secretary may not initiate any action, or consider any petition, against an individual under this paragraph for an act described in subparagraph (B), (C), or (D) of paragraph (2) until any criminal investigation or criminal proceeding against such individual for such act is completed.

"(2) INDIVIDUALS SUBJECT TO PERMISSIVE DEBARMENT.—The following individuals are subject to debarment under paragraph (1):

"(A) CONVICTION RELATED TO A REGULATED PRODUCT OR ACTIVITY.—An individual that the Secretary finds has been convicted of—

"(i) a criminal offense—

"(I) that is a misdemeanor under Federal law or a felony under State law; and

"(II) involving conduct relating to the development or approval or the process for development or approval of a product, or the regulation, under Federal or State law, of a product or activity subject to regulation by the Food and Drug Administration;

"(ii) conspiracy to commit such a criminal offense; or

"(iii) aiding and abetting such a criminal offense.

"(B) FALSE STATEMENT OR REPRESENTATION.—An individual whom the Secretary finds knowingly makes, or causes to be made, to an officer, employee, or agent of the Department, a false statement or representation with respect to a material fact relating to a product or activity subject to regulation by the Food and Drug Administration.

"(C) FAILURE TO MAKE A REQUIRED DISCLOSURE.—An individual whom the Secretary finds knowingly fails to disclose, to an officer, employee, or agent of the Department, a material fact that the person has an obligation under this Act to disclose relating to a product or activity subject to regulation by the Food and Drug Administration.

"(D) INDIVIDUALS WITH KNOWLEDGE.—An individual, if the Secretary finds that the individual—

"(i) works for, or in consultation with, the same person as a second individual, during the period that the second individual is taking actions that later result in the debarment of the second individual under this section;

"(ii) knows of the actions of the second individual; and

"(iii) does not report the actions to an officer, employee, or agent of the Department or to an appropriate law enforcement official.

"(3) PERSONS SUBJECT TO PERMISSIVE DEBARMENT.—A person, other than an individual, is subject to debarment under paragraph (1) if the Secretary finds that—

"(A) the person employs, retains as a consultant or contractor, or otherwise uses the services in any capacity of, an individual during the period that the individual is taking actions that later result in the debarment of the individual under this section;

"(B) a significant number of the directors or managers of the person know of the actions of the individual; and

"(C) the person does not report the actions to an officer, employee, or agent of the Department.

"(c) EFFECT OF DEBARMENT.—

"(1) SANCTION.—

"(A) APPLICATION.—The Secretary shall not accept, review, or approve an application from a person debarred by the Secretary under subsection (a) or (b), during the period of debarment described in paragraph (3).

"(B) CIVIL PENALTY.—The Secretary shall, if the Secretary makes the finding described in paragraph (6) or (7) of section 314(a), assess the civil penalty described in section 314.

"(2) PUBLIC HEALTH WAIVER.—The Secretary may, on the initiative of the Secretary or in response to a petition, waive the sanction under paragraph (1)(A) with respect to an application if the Secretary finds that the waiver is necessary to promote the public health. The Secretary shall act on a petition seeking action under this paragraph not later than 180 days after the date the petition is submitted to the Secretary.

"(3) DEBARMENT PERIODS.—

"(A) MANDATORY DEBARMENT.—The debarment of an individual under subsection (a) shall be permanent.

"(B) PERMISSIVE DEBARMENT OF INDIVIDUALS.—

"(i) IN GENERAL.—Except as provided in clause (ii), the period of debarment of an individual debarred under subsection (b)(2) shall be not more than 5 years.

"(ii) SUBSEQUENT DEBARMENT.—If an individual who has been debarred under subsection (b)(2) commits an act that leads to a subsequent debarment not later than 10 years after the initial debarment, the period of debarment of the individual shall be permanent.

"(C) PERMISSIVE DEBARMENT OF PERSONS OTHER THAN INDIVIDUALS.—Except as provided in clause (ii), the period of debarment of a person debarred under subsection (b)(3) shall be not more than 3 years.

"(D) DEBARMENT FOR MULTIPLE OFFENSES.—The Secretary may determine whether debarment periods shall run concurrently or consecutively in the case of a person debarred for multiple offenses.

"(4) CONSIDERATIONS.—In determining the appropriateness of a debarment of a person under subsection (b), the period of debarment under paragraph (3), or the appropriateness of a termination of a debarment of a person under subsection (d), the Secretary shall consider where applicable—

"(A) the nature and seriousness of an offense described in subsection (b) that is involved;

"(B) the nature and extent of management participation in the offense and whether corporate policies and practices encouraged the offense, including whether inadequate institutional controls contributed to the offense;

"(C) the nature and extent of voluntary steps to mitigate the impact on the public of the offense, including—

"(i) discontinuing distribution of the product involved;

"(ii) cooperating with an investigation;

"(iii) disclosing all wrongdoing to appropriate Government agencies in a timely manner;

"(iv) relinquishing profits on product approvals fraudulently obtained; and

"(v) taking actions to substantially limit potential or actual adverse effects on the public health that could result from the actions that provided the basis for debarment;

"(D) whether and the extent to which changes in ownership, management, or operations have remedied the causes of the offense and provided reasonable assurances that the offense will not occur in the future;

"(E) whether the person to be debarred is able to present adequate evidence that the current operations, and pending applications regarding products, of the person are free of fraud and of false statements with respect to material facts;

"(F) prior convictions under Federal or State law involving products or activities within the jurisdiction of the Food and Drug Administration; and

"(G) whether the person has fully investigated the circumstances of the cause for debarment and, if so, provided the results of the investigation to the Government.

"(d) APPLICATION FOR TERMINATION OF DEBARMENT.—

"(1) APPLICATION.—A person that is debarred under subsection (b) may apply to the Secretary, in the manner specified by the Secretary for termination of the debarment.

"(2) TERMINATION.—If the conviction for which a person has been debarred under subsection (a) or (b)(2)(A) is reversed, the Secretary determines that a finding made by the Secretary with respect to an offense described in paragraph (2) or (3) of subsection (b) is erroneous, or the Secretary determines, in accordance with the considerations described in subsection (c)(4), that termination of a debarment is appropriate, the Secretary shall, on the initiative of the Secretary or in response to an application submitted under paragraph (1), withdraw the order of debarment.

"(3) TIMING.—The decision of the Secretary whether to terminate a debarment under this subsection shall be made not later than 180 days after the date the Secretary receives an application under paragraph (1).

"(e) PUBLICATION AND LIST OF DEBARRED PERSONS.—The Secretary shall publish in the Federal Register the name of any person debarred under subsection (a) or (b), the effective date of the debarment, and the period of the debarment. The Secretary shall also maintain and make available to the public a list, updated no less often than quarterly, of the persons, the effective dates and minimum periods of the debarments, and the termination of the debarments.

"(f) REPORTING TO SECRETARY OF EVENTS SUBJECT TO DEBARMENT OR SANCTION.—A person that files with the Secretary an application for approval of a product by the Food and Drug Administration shall report to the Secretary, during the period in which the person has a pending or approved application—

"(1) to the extent and at such intervals as the Secretary may require, such information as the Secretary may find necessary to enable the Secretary to determine whether the person has used, in any capacity that would subject the person to sanctions under subsection (c), the services of a debarred person; and

"(2) not later than 30 days after the date the person gains knowledge of information that could subject the person to sanctions under subsection (c), the information.

"SEC. 312. TEMPORARY DENIAL OF APPROVAL.

"(a) AUTHORITY.—

"(1) IN GENERAL.—The Secretary may, on the initiative of the Secretary or in response to a petition, issue an order refusing, for the period prescribed by subsection (b), to approve an application submitted by a person if the Secretary determines that—

"(A) there is substantial basis to believe that the person—

"(i) has bribed or attempted to bribe, has paid or attempted to pay an illegal gratuity to, or has induced or attempted to induce another person to bribe or pay an illegal gratuity to, an officer, employee, or agent of the Department or to any other Federal, State, or local official in connection with an application, or has conspired to commit, or aided or abetted, the bribery, payment, or inducement; or

"(ii) has knowingly made or caused to be made two or more false statements or misrepresentations with respect to material facts relating to an application to an officer, employee, or agent of the Department, or has conspired to commit, or aided or abetted, the making of such false statements or misrepresentations;

"(B) the action described in subparagraph (A) raises a significant question regarding the integrity of the approval process with respect to the application, the reliability of the data in the application or the reliability of the data concerning the application; and

"(C) the person is under an active Federal criminal investigation for the action described in clause (i) or (ii) of subparagraph (A).

"(2) PUBLIC HEALTH WAIVER.—The Secretary may, on the initiative of the Secretary or in response to a petition, waive refusal of approval under subsection (a) with respect to an application if the Secretary finds that the waiver is necessary to protect the public health. The Secretary shall act on a petition seeking action under this paragraph not later than 180 days after the date the petition is submitted to the Secretary.

"(b) PERIOD.—

"(1) IN GENERAL.—Except as provided in paragraph (2), a denial of approval of an application of a person under subsection (a) shall be in effect for a period determined by the Secretary but not to exceed 18 months beginning on the date the Secretary makes the findings described in subsection (a) with respect to which the denial was made.

"(2) TERMINATION.—The Secretary shall, on the initiative of the Secretary or in response to a petition, terminate the denial if the Secretary finds that—

"(A) the investigation described in subsection (a)(1)(C) has ended and—

"(i) did not result in a criminal charge against the person described in subsection (a); or

"(ii) resulted in criminal charges that have been dismissed or on which a judgment of acquittal has been entered; or

"(B) a determination of the Secretary under subsection (a)(1) is erroneous.

"(3) INDICTMENT.—If, at the end of the period described in paragraph (1), the Secretary finds that the person has been criminally charged for an action described in clause (i) or (ii) of subsection (a)(1)(A), the Secretary may extend the period of denial of approval of an application for a period not to exceed 18 months. The Secretary shall terminate the extension if the Secretary finds that the charges have been dismissed or that a judgment of acquittal has been entered on the charges.

"(c) INFORMAL HEARING.—

"(1) REFUSAL OF APPROVAL.—Not later than 10 days after the date of the service of the order described in subsection (a) on a person described in subsection (a), the Secretary shall provide the person with an opportunity for an informal hearing on the decision of the Secretary. Not later than 60 days after the date on which the hearing is held, the Secretary shall notify the person given the hearing whether the refusal of approval will be continued, terminated, or otherwise modified. The notification shall be a final agency action.

"(2) TERMINATION OR EXTENSION.—Not later than 10 days after the date the Secretary provides notice of a finding under paragraph (2) or (3) of subsection (b) to a person, and before taking action under the subsection, the Secretary shall provide the person with an opportunity for an informal hearing on the decision of the Secretary. Not later than 60 days after the date on which the hearing is held, the Secretary shall notify the person given the hearing whether the termination or extension at issue in the hearing will be continued, terminated, or otherwise modified. The notification shall be a final agency action.

"SEC. 313. TEMPORARY SUSPENSION OF MARKETING.

"(a) AUTHORITY.—

"(1) IN GENERAL.—The Secretary may issue an order suspending the distribution of all products described in paragraph (2) that were approved under applications of a person, if the Secretary finds that such person—

"(A)(i) has engaged in actions, in connection with the development, approval, manufacturing, or distribution of such a product, that—

"(I) are described in clause (i) or (ii) of section 312(a)(1)(A); and

"(II) the Secretary has reason to believe materially influenced the approval of the product, or the compliance of the product with the applicable requirements of the Food and Drug Administration, with regard to the safety and efficacy of the product; or

"(ii) has engaged in flagrant and repeated violations of good manufacturing practice or good laboratory practice, in connection with the development, manufacturing, or distribution of such a product, that—

"(I) the Secretary has reason to believe materially affect the safety or efficacy of the product; and

"(II) have not been remedied within a reasonable period of time following notice of such violations by the Food and Drug Administration; and

"(B) is under an active investigation by a Federal authority in connection with a civil or criminal proceeding involving the action described in subparagraph (A)(i) or the violation described in subparagraph (A)(ii).

"(2) COVERED PRODUCTS.—The products covered under paragraph (1) are products—

"(A) for which a person has obtained an approval as described in section 317(4)(A) (only with respect to new drugs covered by section 505(j)), or in subparagraph (D) or (E) of section 317(4); and

"(B) for which the Secretary has reason to believe that the development, approval, manufacturing, or distribution was materially affected by the actions described in paragraph (1)(A)(i) and the violations described in paragraph (1)(A)(ii).

"(3) PUBLIC HEALTH WAIVER.—The Secretary may, on the initiative of the Secretary or in response to a petition, waive the suspension under paragraph (1) with respect to a product if the Secretary finds that the waiver is necessary to protect the public health. The Secretary shall act on a petition seeking action under this paragraph not later than 180 days after the date the petition is submitted to the Secretary.

"(b) PERIOD.—

"(1) IN GENERAL.—Except as provided in paragraph (2), a suspension under subsection (a) shall be in effect for a period determined by the Secretary but not to exceed 18 months beginning on the date the Secretary makes the findings described in subsection (a) with respect to which the suspension was made.

"(2) TERMINATION.—The Secretary shall, on the initiative of the Secretary or in response to a petition, withdraw the order of suspension if the Secretary finds that—

"(A) the criminal investigation described in subsection (a)(1)(B) has ended and—

"(i) did not result in a criminal charge against the person; or

"(ii) resulted in criminal charges that have been dismissed or on which a judgment of acquittal has been entered; or

"(B) a finding of the Secretary made under subsection (a)(1) is erroneous; or

"(C) the person with respect to whom the order was issued demonstrates—

"(i) on the basis of an audit by the Food and Drug Administration or by experts acceptable to the Food and Drug Administration, or on the basis of other information, that the development, approval manufacturing, and distribution of such product is in substantial compliance with the applicable requirements of this Act, and

"(ii) changes in ownership, management, or operations—

"(I) fully remedy the patterns or practices with respect to which the order was issued; and

"(II) provide reasonable assurances that such actions will not occur in the future.

"(3) INDICTMENT.—If, at the end of the period described in paragraph (1), the Secretary finds that a person has been criminally charged for an action described in subsection (a)(1)(A)(i) or a violation described in subsection (a)(1)(A)(ii), the Secretary may extend the period of suspension for a period not to exceed 18 months. The Secretary shall, on the initiative of the Secretary or in response to a petition, terminate the extension if the Secretary finds that the charges have been dismissed or that a judgment of acquittal has been entered on the charges.

"(4) ACTION.—The Secretary shall act on a petition described in paragraph (2) or (3) not later than 180 days after the date of the petition. The Secretary may consider a petition described in paragraph (2) concurrently with the proceeding to issue the order of suspension under subsection (a), and shall not issue the order if the Secretary makes the finding described in paragraph (2).

"SEC. 314. CIVIL PENALTIES.

"(a) IN GENERAL.—A person shall be liable to the United States for a civil penalty for each violation described in paragraphs (1) through (7) in an amount not to exceed $250,000 in the case of an individual and not to exceed $1,000,000 in the case of a person other than an individual, if the Secretary finds that the person—

"(1) knowingly makes or causes to be made, to an officer, employee, or agent of the Department, a false statement or misrepresentation with relation to a material fact in connection with an application regarding a product;

"(2) bribes or attempts to bribe or pays or attempts to pay an illegal gratuity to an officer, employee, or agent of the Department in connection with an application regarding a product;

"(3) destroys, alters, removes, secretes, or procures the destruction, alteration, removal, or secretion of, a material document or other material evidence that is the property of or in the possession of the Department for the purpose of interfering with the discharge of the responsibilities of the Department in connection with an application regarding a product;

"(4) knowingly fails to disclose, to an officer, employee, or agent of the Department, a material fact that the person has an obligation under this Act to disclose relating to a product;

"(5) knowingly obstructs an investigation of the Department regarding a product;

"(6) is a person that has any approved or any pending application regarding a product and knowingly employs, retains as a consultant or contractor, or otherwise uses in any capacity the services of an individual during the period that the individual is debarred under section 311; or

"(7) is an individual debarred under section 311 and, during the period of debarment, provides services in any capacity to a person that has any approved or any pending application regarding a product.

"(b) PROCEDURE.—

"(1) AMOUNT.—In determining the amount of a civil penalty under this section, the Secretary shall take into account the nature, circumstances, extent, and gravity of the act subject to penalty, the ability of the person to pay, the effect on the ability of the person to continue to do business, any history of prior similar acts, and such other matters as justice may require.

"(2) LIMITATION ON ACTIONS.—The Secretary may not initiate an action under this subsection—

"(A) with respect to an act described in subsection (a) that occurred earlier than the date of the enactment of this Act;

"(B) later than 6 years after the date when facts material to the act were known or reasonably should have been known by the Secretary; or

"(C) later than 10 years after the date on which the act occurred.

"(c) INFORMANTS.—

"(1) AMOUNT OF AWARD.—The Secretary may award to an individual (other than an officer, employee, or agent of the Federal Government) who provides information leading to the imposition of a civil penalty under this section an amount equal to the lesser of—

"(A) $250,000; or

"(B) one-half of the penalty imposed and collected.

"(2) REVIEWABILITY.—The decision of the Secretary on such award shall not be reviewable.

"(3) PARTICIPATION.—An individual shall not be eligible for such an award if such individual knowingly participated in the violation described in subsection (a).

"SEC. 315. PROCEDURE.

"(a) IN GENERAL.—The Secretary may not take an action under subsection (a), (b), or (c) of section 311, subsection (a) or (b) of section 313 or section 314(a) with respect to a person unless the Secretary has provided notice to the person and issued an order for the action made on the record after opportunity for an agency hearing on disputed issues of material fact, and in the case of an action under section 314, on the amount of the penalty.

"(b) PROCEDURE AND SANCTIONS IN CONNECTION WITH CONDUCT OF HEARING OR INVESTIGATION.—

"(1) IN GENERAL.—The Secretary may—

"(A) in the course of a hearing under this subsection or investigation, administer oaths and affirmations, examine witnesses, receive evidence, and issue subpoenas requiring the attendance and testimony of witnesses and the production of evidence that relates to the matter under investigation; and

"(B) in the course of a hearing under this section, sanction a person, including a party or attorney, for failure to comply with an order or procedure, failure to defend an action, or other misconduct that would interfere with the speedy, orderly, or fair conduct of the hearing.

"(2) SANCTION.—A sanction administered under paragraph (1)(B) shall reasonably relate to the severity and nature of the failure or misconduct. Such sanction may include—

"(A) in the case of refusal to provide or permit discovery with respect to a matter, drawing negative factual inferences or treating the refusal as an admission by deeming the matter, or certain facts, to be established;

"(B) prohibiting a party from introducing certain evidence or otherwise supporting a particular claim or defense;

"(C) striking pleadings, in whole or in part;

"(D) staying the proceedings;

"(E) dismissal of the action;

"(F) entering a default judgment;

"(G) ordering the party or attorney to pay attorney's fees and other costs caused by the failure or misconduct; and

"(H) refusing to consider a motion or another action that is not filed in a timely manner.

"SEC. 316. JUDICIAL REVIEW.

"A person that is the subject of an adverse decision under subsection (a), (b), or (c) of section 311, subsection (a) or (b) of section 312, subsection (a) or (b) of section 313 or section 314(a) may obtain a review of the decision by the United States Court of Appeals for the District of Columbia or for the circuit in which the person resides, by filing in the court (not later than 60 days after the date the person is notified of the decision of the Secretary) a petition requesting that the decision be modified or set aside.

"SEC. 317. DEFINITIONS.

"As used in this subchapter:

"(1) ACTIVITY.—The term 'activity' means an action related to a product.

"(2) ANTIBIOTIC DRUG.—The term 'antibiotic drug' has the meaning given the term in section 507.

"(3) APPLICATION OR APPLICATION FOR APPROVAL.—The terms 'application' and 'application for approval' include—

"(A) an application under subsection (b) or (j) of section 505 with respect to a new drug;

"(B) an application for certification under section 507 of an antibiotic drug;

"(C) an application under section 512(b) with respect to a new animal drug;

"(D) an application under section 512(m) with respect to a new animal drug;

"(E) a premarket notification under section 510(k) of an intent to introduce into interstate commerce for commercial distribution a device intended for human use;

"(F) an application for premarket approval under section 515 with respect to a class III device;

"(G) an application for licensing under section 351 of the Public Health Service Act with respect to a biological product (42 U.S.C. 262); or

"(H) an application under section 802(b) with respect to a drug.

"(4) APPROVAL.—The term 'approval' includes—

"(A) approval under subsection (b) or (j) of section 505 of an application with respect to a new drug;

"(B) certification under section 507 of an antibiotic drug;

"(C) approval under section 512(b) of an application with respect to a new animal drug;

"(D) approval under section 512(m) of an application with respect to a new animal drug;

"(E) a determination under section 510(k) of substantial equivalence to another device;

"(F) premarket approval under section 515 with respect to a class III device;

"(G) a license under section 351 of the Public Health Service Act with respect to a biological product; or

"(H) approval of an application under section 802(b) with respect to a drug.

"(5) BIOLOGICAL PRODUCT.—The term 'biological product' means a virus, therapeutic serum, toxin, antitoxin, vaccine, blood, blood component or derivative, allergenic product, analogous product, or arsphenamine, a derivative of arsphenamine, or any other trivalent organic arsenic compound.

"(6) CONVICTED.—A person is considered to have been 'convicted' of a criminal offense—

"(A) when a judgment of conviction has been entered against the person by a Federal or State court, regardless of whether an appeal is pending or whether the judgment of conviction or other record relating to criminal conduct has been expunged;

"(B) when there has been a finding of guilt against the person by a Federal or State court;

"(C) when a plea of guilty or nolo contendere by the person has been accepted by a Federal or State court; or

"(D) when the person has entered into participation in a first offender, deferred adjudication, or other arrangement or program under which a judgment of conviction has been withheld.

"(7) DEVELOPMENT.—The term 'development', as used with respect to a product subject to approval by the Food and Drug Administration, includes all steps necessary to process or complete, and secure approval of, the application, including—

"(A) designing of protocols for, and conduct of, scientific, medical, engineering, and any other research, experimentation, testing, and analysis (including animal research and preclinical and clinical trials for the product or substance, or the precursors or component elements of the product or substance);

"(B) designing and testing of manufacturing controls and procedures for the product or substance;

"(C) designing and preparation of packaging and labeling for the product or substance; and

"(D) preparation of the application for approval, and of data or documentation supporting the application, and of any other data on which the application or approval of the application is based.

"(8) MANAGER.—The term 'manager' means, with respect to a person, an employee of the person who has duties of such responsibility that the conduct of the employee may fairly be assumed to represent the policy of the person.

"(9) KNOW; KNOWINGLY.—The terms 'know', and 'knowingly' mean that a person, with respect to information—

"(A) has actual knowledge of the information; or

"(B) acts in deliberate ignorance or reckless disregard of the truth or falsity of the information.

"(10) PRODUCT.—The term 'product' means a new drug, an antibiotic drug, a new animal drug, a device, or a biological product.".

(b) EFFECTIVE DATE.—Sections 311, 312, and 313 of the Federal Food, Drug, and Cosmetic Act, as added by subsection (a), shall apply to acts or omissions that occurred not more than 5 years prior to the date of the enactment of this Act.

SEC. 3. EFFECT ON OTHER LAWS.

No amendment made by this Act shall preclude any other civil, criminal, or administrative remedy provided under Federal or State law, including a private right of action against a person for the same act as is subject to an action or a penalty under an amendment made by this Act.

SUMMARY—DRUG AND DEVICE ENFORCEMENT ACT OF 1991

This bill amends the Federal Food, Drug, and Cosmetic Act (FFDCA) to establish protections against certain illegal activities involving drugs and devices subject to regulation by the Food and Drug Administration (FDA). These sanctions include debarment of both individuals and corporations from involvement with FDA regulated products, temporary denial of approval of product applications and temporary suspension of the distribution of FDA approved products during the investigation of violations of the FFDCA, and fines. The following is a summary of the bill.

Section 2.—Sanctions for Illegal Activities Involving Drugs and Devices.

I. SECTION 311—DEBARMENT

A. Types of Debarment.—Mandatory debarment of individuals and permissive debarment of individuals and corporations.

1. Mandatory Debarment—Subsection (a) provides for the mandatory debarment by the Secretary of Health and Human Services (HHS) of an individual, if the individual is:

Convicted of a felony under federal law,

For conduct relating to the development or approval of a product, the process for development or approval of a product, or the regulation of a product or activity regulated by the FDA.

2. Permissive Debarment—Subsection (b) provides for the permissive debarment by the Secretary of HHS of persons, which are defined by the FFDCA to include individuals, partnerships, corporations, and associations.

Permissive Debarment of Individuals is provided for:

An individual convicted of a misdemeanor under federal law or a felony under state law which involves conduct relating to the development or approval, the process for the development or approval, or the regulation under federal or state law of a product or activity regulated by the FDA;

An individual convicted of conspiracy to commit one of the above criminal offenses;

An individual convicted of aiding and abetting the commission of one of the above criminal offenses;

An individual whom the Secretary finds knowingly makes, or causes to be made to an HHS employee, a false statement of a material fact relating to an FDA regulated product or activity;

An individual whom the Secretary finds knowingly fails to disclose to an HHS employee, a material fact that the person had an obligation to disclose relating to an FDA regulated product or activity; or

An individual whom the Secretary finds works for, or in consultation with, a second individual during the period that the second individual is taking actions that later result in the debarment of the second individual; and the individual knows of the actions of the second individual; and the individual does not report these actions to HHS or an appropriate law enforcement official.

Permissive Debarment of Persons (other than individuals) is provided for: A person which employs, retains as a consultant or contractor, or otherwise uses the services of an individual during the period that the individual is taking actions that later result in the debarment of the individual; and a significant number of the directors or managers of the person known of the actions of the individual; and the person does not report these actions to HHS.

B. Procedure for Debarment—Agency Hearings and Judicial Review:

1. Agency Hearing (Sec. 315)—The Secretary may not debar an individual or a corporation unless the Secretary has provided notice to the person and issued an order for the action made on the record after opportunity for a formal agency hearing on disputed issues of material fact.

During the course of the hearing the Secretary may issue sanctions for misconduct that interferes with the conduct of the hearing.

2. Judicial Review (Section 316)—An individual or corporation that is the subject of an adverse debarment decision may obtain review of the decision by the U.S. Court of Appeals within 60 days after being notified of the Secretary's decision.

C. Effect of Debarment—Sanctions, Public Health Waiver, Time Periods, Considerations, Termination of Debarment, Publication of the Names of Debarred Persons, and Reporting Misconduct Which May Lead to Debarment.

1. Sanctions—There are two types of sanctions for debarment that the Secretary may impose. The first pertains to applications from the debarred party and the second involves fines.

The Application Sanction—The Secretary shall not accept, review, or approve an application from the debarred party.

Public Health Waiver—The Secretary may waive the application sanction after finding that such waiver is necessary to promote the public health.

Time Periods—The time periods during which the Secretary will not accept, review, or approve applications from debarred parties are as follows:

Mandatory debarment of individuals is permanent;

Permissive debarment of individuals for the first debarment is not to exceed 5 years; and for a subsequent debarment within 10 years after the initial debarment, the sanction is permanent;

Permissive debarment of persons (other than individuals) can be up to 3 years, depending on the underlying offense;

In the case of debarment for multiple offenses, the Secretary determines whether the debarment periods run concurrently or consecutively.

The Civil Fine Sanction (Section 314)—The Secretary shall assess an amount not to exceed $250,000 in the case of an individual and not to exceed $1,000,000 in the case of a person (other than an individual) if the Secretary finds that:

The individual has been debarred under section 311 and provides services in any capacity, during the period of debarment, to a person that has any approved or pending application regarding an FDA regulated product; or

The person has any approved or pending application regarding an FDA regulated product and knowingly employs, retains as a consultant or contractor, or otherwise uses in any capacity the services of an individual during the period that the individual is debarred.

2. Considerations—In considering the appropriateness of permissive debarment, the period of permissive debarment or the appropriateness of terminating permissive debarment, the Secretary shall consider where applicable:

The gravity of the underlying offense;

The extent of management participation in the offense;

Voluntary steps to mitigate the impact of the offense on the public;

Whether changes in management have remedied the causes of the offense and provide some assurance that the offense will not occur in the future;

Evidence that current operations or pending applications are free of fraud and false statements of material facts;

Prior convictions involving products and activities regulated by FDA; and

Whether the person has fully investigated the circumstances of the cause of debarment and has provided the results of the investigation to the government.

3. Termination of Debarment—An individual or corporation that has been permissively debarred may apply to the Secretary for termination of the debarment in a manner to be specified in HHS regulations. The debarment will terminate if the conviction on which the debarment is based is reversed, or the Secretary determines that a finding made by the Secretary with respect to an offense that was the basis of the debarment is erroneous, or the Secretary determines that termination of the debarment is appropriate.

4. Publication—The Secretary shall both publish in the Federal Register and make available to the public the name of any debarred individual or corporation, the effective date of debarment, the period of debarment, and the termination of debarment.

5. Reporting Requirement—A person that files an application for FDA approval of a product shall report to the Secretary during the period in which the person has an approved or pending application such information as the Secretary determines to be necessary to enable the Secretary to determine whether the person has used the services of a debarred individual.

II. SECTION 312—TEMPORARY DENIAL OF APPROVAL

A. Basis—The Secretary may issue an order refusing to approve an application if the Secretary finds:

There is substantial basis to believe the person has bribed or attempted to bribe, paid or attempted to pay an illegal gratuity to, or induced or attempted to induce another to bribe or pay an illegal gratuity to a federal, state, or local official in connection with an application; or the person has knowingly made or caused to be made two or more false statements with respect to material facts relating to an application; and

Those actions raise a significant question about the integrity of the approval process or the reliability of the data supporting the application; and

The person is under a federal criminal investigation for those actions.

B. Time Period—The period of refusal of approval of an application shall not exceed 18 months. The refusal of approval will terminate if the relevant investigation did not result in criminal charges, or the resulting criminal charges were dismissed, or the Secretary determines there was error. If at the end of the period of refusal of approval the person has been charged with a relevant criminal act, the Secretary may extend the period of refusal of approval for a period up to 18 months.

C. Procedure (Sections 312 and 316) and Public Health Waiver—Within 10 days of the order refusing to approve an application, the person shall be afforded the opportunity for

an informal hearing on the order. The person is also afforded the opportunity for an informal hearing before termination or extension of the denial of approval is imposed. This agency decision is reviewable by the U.S. Court of Appeals.

The Secretary may also waive refusal of approval of an application after finding that the waiver is necessary to protect the public health.

III. SECTION 313.—TEMPORARY SUSPENSION OF MARKETING

A. Basis—The Secretary may issue an order suspending the distribution of certain covered products approved under the application of a person if the Secretary finds that such person:

Has bribed or attempted to bribe, paid or attempted to pay an illegal gratuity to, or induced or attempted to induce another bribe or pay an illegal gratuity to a federal, state, or local official in connection with an application; or has knowingly made or caused to be made two or more false statements with respect to material facts relating to an application; and the Secretary has reason to believe such actions materially influenced the approval of a product or the compliance of a product with FDA requirements; or

Has engaged in flagrant and repeated violations of good manufacturing or laboratory practices that the Secretary has reason to believe materially affected the safety or efficacy of the product and these violations have not been remedied promptly following notice by the FDA; and

The person is under civil or criminal investigation by a federal authority for those actions.

B. Time Period—The period of suspension of the distribution of a product shall not exceed 18 months. The suspension will terminate if the relevant investigation did not result in criminal charges, or the resulting criminal charges have been dismissed, or the Secretary determines there was error, or the person demonstrates that the product is in compliance and the problems are remedied. If at the end of the period of suspension the person has been charged with a relevant criminal act, the Secretary may extend the period of suspension for a period up to 18 months.

C. Procedure (Section 315 and 316) and Public Health Waiver—The Secretary may not suspend the distribution of a covered product unless the Secretary has provided notice to the person and issued an order for the action made on the record after opportunity for a formal agency hearing on disputed issues of material fact. During the course of the hearing the Secretary may issue sanctions for misconduct that interferes with the conduct of the hearing. A person that is the subject of an adverse decision may obtain review of the decision by the U.S. Court of Appeals within 60 days after being notified of the Secretary's decision.

D. Covered Products—The products covered by this section are human generic drugs, animal generic drugs and devices determined to be substantially equivalent under section 510(k) of the FFDCA.

The Secretary may waive the suspension of the distribution of a product if the Secretary finds the waiver is necessary to protect the public health.

IV. SECTION 314—CIVIL PENALTIES

A. Basis—The Secretary shall assess an amount not to exceed $250,000 in the case of an individual and not to exceed $1,000,000 in the case of a person (other than an individual) if the Secretary finds that the individual or person:

Knowingly makes or causes to be made to a Department of HHS employee, a false statement with relation to a material fact in connection with an application;

Bribes or attempts to bribe or pays or attempts to pay an illegal gratuity to a HHS employee in connection with an application;

Destroys, alters, removes, secretes, or procures the destruction, alteration, removal, or secretion of material evidence that is in the possession of HHS for the purpose of interfering with an application;

Knowingly fails to disclose to HHS a material fact that the person has an obligation to disclose;

Knowingly obstructs an investigation of HHS;

Is a person that has any approved or pending application regarding an FDA regulated product and knowingly employs, retains as a consultant or contractor, or otherwise uses in any capacity the services of an individual during the period that the individual is debarred; or

Is an individual who has been debarred and who during the period of debarment provides services in any capacity to a person that has any approved or pending application regarding an FDA regulated product.

B. Procedure (Sections 315 and 316)—The Secretary may not impose these fines unless the person has had the opportunity for an agency hearing on disputed issues of material fact and the amount of the penalty. The Secretary shall also consider the gravity of the underlying act, the ability of the person to pay and continue to do business, and prior similar acts before imposing such fines. This agency decision is reviewable by the U.S. Court of Appeals.

C. Limitation on Actions—The Secretary may not impose these fines if the underlying act occurred before the date of enactment of this bill; if the imposition of the fine would be later than 6 years after the date when facts material to the underlying act were or should have been known to the Secretary; or if the imposition of the fine would be later than 10 years after the act occurred.

D. Informants—The Secretary may award to an individual (other than an employee of the federal government or an individual who knowingly participated in the violation) who provides information leading to the imposition of a civil penalty under this section, an amount equal to the lesser of $250,000 or one-half of the penalty imposed and collected.

V. SECTION 317—DEFINITIONS AND EFFECTIVE DATE

A. Application—The term includes applications for new drugs under section 505; antibiotics under section 507; new animal drugs under section 512; biological products under section 351 of the Public Health Service Act; drugs under section 802(b); and devices under sections 510(k) and 515.

B. Approval—The term includes all products listed in paragraph A above.

C. Know; Knowingly—The terms mean that a person, with respect to information (A) has actual knowledge of the information; or (B) acts in deliberate ignorance or reckless disregard of the truth or falsity of the information.

D. Product—The term means drugs, new drugs, antibiotic drugs, new animal drugs; biological products; and devices.

E. Effective Date—Section 311, 312 and 313 apply to acts or omissions that occurred not more than 5 years prior to the date of the enactment of this Act.•

By Mr. D'AMATO:

S. 1983. A bill to delay the implementation of a regulation to prohibit the use of voluntary contributions and provider-specific taxes by States to receive Federal matching funds under Medicaid; to the Committee on Finance.

MEDICAID MORATORIUM ACT OF 1991

• Mr. D'AMATO. Mr. President, I rise today to introduce legislation that will allow the administration and the States to move forward toward an agreement on the difficult issue of provider-specific taxes and their treatment under the Medicaid Program.

As my colleagues are well aware, the Health Care Financing Administration, on September 12, issued a regulation prohibiting the use of a broad range of revenues currently applied toward Medicaid by State governments. This regulation, if permitted to be implemented, would disrupt over 30 State Medicaid programs. It would cost these States billions in lost Federal Medicaid matching funds.

There is no question about the need to establish a reasonable and rational policy for financing Medicaid Programs through voluntary donations and provider-specific taxes. However with adjournment looming just around the corner, and in light of the complexity of the issues involved, we simply need more time—time to come back next year to resolve this issue in a thoughtful and thorough way.

If Congress does not act to delay the HCFA rule, and if the administration and the States do not reach an agreement on this issue, we will see chaos result when the rule's January 1, 1992, effective date forces States to radically adjust programs in the middle of budget cycles. The result will be drastic cuts in basic medical services as well as long-term care for millions of low-income mothers, children, disabled, elderly, and mentally ill individuals.

Even if an agreement is hastily cobbled together in the next several days before adjournment, such a solution is unlikely to be equitable both to the administration and the States. We will be back in 3 months trying to solve this problem again.

This bill will give both sides the necessary breathing room to craft a meaningful solution to this difficult problem. It simply creates, in effect, a two-way moratorium. This moratorium, like that called for in similar legislation in the Senate and the House, would delay the implementation of HCFA's proposed rule until September 30, 1992. At the same time, this moratorium would not permit existing programs to grow, and would not permit any new programs. In other words, it freezes all activity until the end of the current fiscal year.

Mr. President, this bill represents a rational, reasonable approach to our current dilemma over Medicaid provider-tax and voluntary donation pro-

grams. I believe this bill will allow us to avoid a crisis in programs that work at providing health care to the poor and disabled, and I urge its immediate adoption.●

ADDITIONAL COSPONSORS

S. 310

At the request of Mr. PELL, the name of the Senator from Georgia [Mr. FOWLER] was added as a cosponsor of S. 310, a bill to provide for full statutory wage adjustments for prevailing rate employees, and for other purposes.

S. 316

At the request of Mr. CRAIG, the name of the Senator from California [Mr. SEYMOUR] was added as a cosponsor of S. 316, a bill to provide for treatment of Federal pay in the same manner as non-Federal pay with respect to garnishment and similar legal process.

S. 736

At the request of Mr. GRAHAM, the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of S. 736, a bill to amend the Outer Continental Shelf Lands Act.

S. 1755

At the request of Mr. BUMPERS, the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of S. 1755, a bill to reform the concessions policies of the National Park Service, and for other purposes.

S. 1862

At the request of Mr. GRAHAM, the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of S. 1862, a bill to amend the National Wildlife Refuge System Administration Act of 1966 to improve the management of the National Wildlife Refuge System, and for other purposes.

S. 1886

At the request of Mr. WOFFORD, his name was added as a cosponsor of S. 1886, a bill to delay until September 30, 1992, the issuance of any regulations by the Secretary of Health and Human Services changing the treatment of voluntary contributions and provider-specific taxes by States as a source of a State's expenditures for which Federal financial participation is available under the medicaid program and to maintain the treatment of intergovernmental transfers as such a source.

At the request of Mr. MCCONNELL, the names of the Senator from Wisconsin [Mr. KASTEN], the Senator from Alabama [Mr. SHELBY], and the Senator from Vermont [Mr. JEFFORDS] were added as cosponsors of S. 1886, supra.

S. 1932

At the request of Mr. BUMPERS, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 1932, a bill to amend the Internal Revenue Code of 1986 to provide a capital gains tax differential for individual and corporate taxpayers who make high-risk, long-term, growth-oriented venture and seed capital investments in start-up and other small enterprises.

S. 1933

At the request of Mr. KENNEDY, the names of the Senator from Utah [Mr. HATCH], the Senator from Hawaii [Mr. INOUYE], the Senator from Indiana [Mr. COATS], the Senator from Florida [Mr. GRAHAM], and the Senator from Rhode Island [Mr. PELL] were added as cosponsors of S. 1933, a bill to amend titles VII and VIII of the Public Health Service Act to reauthorize and extend programs under such titles, and for other purposes.

S. 1950

At the request of Mr. DANFORTH, the names of the Senator from Nevada [Mr. REID], the Senator from Wisconsin [Mr. KASTEN], the Senator from Connecticut [Mr. DODD], the Senator from Illinois [Mr. DIXON], and the Senator from Vermont [Mr. LEAHY] were added as cosponsors of S. 1950, a bill to amend the Internal Revenue Code of 1986 to extend for 1 year certain expiring tax provisions.

SENATE JOINT RESOLUTION 140

At the request of Mr. WARNER, the name of the Senator from Idaho [Mr. CRAIG] was added as a cosponsor of Senate Joint Resolution 140, a joint resolution to designate the week of July 27 through August 2, 1991, as "National Invent America! Week."

SENATE JOINT RESOLUTION 182

At the request of Mr. ROTH, his name was added as a cosponsor of Senate Joint Resolution 182, a joint resolution proposing a Balanced Budget Amendment to the Constitution of the United States.

SENATE JOINT RESOLUTION 194

At the request of Mr. GRAMM, the name of the Senator from Georgia [Mr. FOWLER] was added as a cosponsor of Senate Joint Resolution 194, a joint resolution to designate 1992 as the "Year of the Gulf of Mexico."

SENATE JOINT RESOLUTION 228

At the request of Mr. D'AMATO, the names of the Senator from Mississippi [Mr. COCHRAN], and the Senator from North Dakota [Mr. BURDICK] were added as cosponsors of Senate Joint Resolution 228, a joint resolution to designate the week beginning February 23, 1992, as "National Manufacturing Week."

SENATE CONCURRENT RESOLUTION 65

At the request of Mr. DECONCINI, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of Senate Concurrent Resolution 65, a concurrent resolution to express the sense of the Congress that the President should recognize Ukraine's independence.

SENATE RESOLUTION 213

At the request of Mr. GORE, the names of the Senator from Louisiana [Mr. BREAUX], and the Senator from Pennsylvania [Mr. SPECTER] were added as cosponsors of Senate Resolution 213, a resolution expressing the sense of the Senate regarding United States policy toward Yugoslavia.

SENATE RESOLUTION 221—INVESTIGATIONS OF ETHICS VIOLATIONS BY INDEPENDENT COUNSELS

Mr. COATS submitted the following resolution; which was referred to the Committee on Rules and Administration:

S. RES. 221

Resolved,

SECTION 1. INDEPENDENT ETHICS COMMISSION.

(a) ESTABLISHMENT.—There is established a commission to be known as the Independent Ethics Commission of the Senate (referred to as the "Ethics Commission").

(b) MEMBERSHIP.—(1) The Ethics Commission shall be comprised of 8 members appointed in accordance with paragraph (2).

(2) The majority leader and the minority leader shall each appoint to the Commission at the beginning of a Congress—

(A) 1 member who is a retired judge of a Federal or State court;

(B) 1 member who is a former member of the Senate; and

(C) 2 members who are private citizens and are not employees of the United States.

(c) TERMS.—(1)(A) A member of the Commission shall serve a term of 2 years and may be reappointed for 2 additional terms.

(2) In the case of the death or resignation of a member of the Commission a successor shall be appointed in the same manner as the member was appointed to serve until the end of the term of that member.

(d) REMOVAL.—A member of the Commission may be removed only by resolution of the Senate.

(e) DUTIES.—It shall be the duty of the Commission to—

(1) receive requests for review of an allegation described in section 2(b);

(2) make such informal preliminary inquiries in response to such a request as the Commission deems to be appropriate;

(3) if, as a result of those inquiries, the Commission determines that a full investigation is not warranted, submit a report pursuant to section 2(e); and

(4) if, as a result of those inquiries, the Commission determines that a full investigation is warranted, appoint an independent counsel pursuant to section 3.

(f) COMPENSATION OF MEMBERS.—(1) Each member of the Commission shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which the member is engaged in the performance of the duties of the Commission.

(2) The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

(g) STAFF.—(1) The Commission may, without regard to the civil service laws and regu-

lations, appoint, and terminate an executive director and such other additional personnel as are necessary to enable the Commission to perform its duties.

(2) The Commission may fix the compensation of the executive director and other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director and other personnel may not exceed the rate payable for level V of the Executive Schedule under section 5316 of that title.

(3) Any Federal Government employee may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

(4) The Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals that do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of that title.

(5) Except at a time when additional personnel are needed to assist the Commission in its review of a particular request for review under section 2, the total number of staff personnel employed by or detailed to the Commission under this subsection shall not exceed 5.

(h) INAPPLICABILITY OF THE FEDERAL ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Commission.

SEC. 2. REVIEW OF ALLEGATIONS OF IMPROPER MISCONDUCT AND VIOLATIONS OF LAW.

(a) DEFINITIONS.—As used in this section, the term "officer or employee of the Senate" means—

(1) an elected officer of the Senate who is not a member of the Senate;

(2) an employee of the Senate, any committee or subcommittee of the Senate, or any member of the Senate;

(3) the Legislative Counsel of the Senate or any employee of his office;

(4) an Official Reporter of Debates of the Senate and any person employed by the Official Reporters of Debates of the Senate in connection with the performance of their official duties;

(5) a member of the Capitol Police force whose compensation is disbursed by the Secretary of the Senate;

(6) an employee of the Vice President if such employee's compensation is disbursed by the Secretary of the Senate; and

(7) an employee of a joint committee of the Congress whose compensation is disbursed by the Secretary of the Senate.

(b) REQUEST FOR REVIEW.—Any person may present to the Commission a request to review and to consider the propriety of appointing an independent counsel to investigate an allegation of—

(1) improper conduct that may reflect upon the Senate;

(2) a violation of law;

(3) a violation of the Senate Code of Official Conduct (rules XXXIV, XXXV, XXXVII, XXXVIII, XXXIX, XL, XLI, and XLII of the Standing Rules of the Senate); or

(4) a violation of a rule or regulation of the Senate,

relating to the conduct of a person in the performance of his or her duties as a member, officer, or employee of the Senate.

(c) SWORN STATEMENT.—A request for review under subsection (b) shall be accompanied by a sworn statement, made under penalty of perjury under the laws of the United States, of facts within the personal knowledge of the person making the statement alleging improper conduct or a violation described in subsection (b).

(d) PUBLIC DISCLOSURE.—(1) The contents of a request for review and sworn statement submitted under subsections (b) and (c), all proceedings of the Commission, and all facts that come to the knowledge of the Commission during its inquiries shall be made available to the public except as provided in paragraph (2).

(2) The Commission may withhold information from public disclosure if the Commission, in its sole discretion, determines that the public interest in disclosure is outweighed by—

(A) harm that may be caused to the reputation of a person; or

(B) prejudice that may be caused to the rights of a person.

(e) DETERMINATION NOT TO APPOINT INDEPENDENT COUNSEL.—(1) If, after making preliminary inquiries, the Commission determines not to appoint an independent counsel pursuant to section 3, the Commission shall submit to the members of the Senate a report that—

(A) states findings of fact made as a result of the inquiries;

(B) states any conclusions that may be drawn with respect to whether there is substantial credible evidence that improper conduct or a violation of law may have occurred; and

(C) states its reasons for concluding that further investigation is not warranted.

(2) After submission of a report under paragraph (1), no action may be taken in the Senate to impose a sanction on a person who was the subject of the Commission's inquiries on the basis of any conduct that was alleged in the request for review and sworn statement.

(3) If the Commission determines that any part of a sworn statement presented to it under subsection (c) may have been a false statement made knowingly and willfully, the Commission may refer the matter to the Attorney General for prosecution.

SEC. 3. INDEPENDENT COUNSEL.

(a) APPOINTMENT.—(1) If, after making preliminary inquiries, the Commission determines that—

(A) there is substantial credible evidence that improper conduct or a violation described in section 2(b) may have occurred; and

(B) in view of the seriousness of the allegation and other relevant considerations, a full investigation of the alleged misconduct or violation is warranted,

the Commission shall appoint an independent counsel to conduct an investigation.

(2)(A) The Commission shall appoint as independent counsel a person who has appropriate experience and who undertakes to conduct the investigation in a prompt, responsible, and cost-effective manner and to serve to the extent necessary to complete the investigation.

(B) The Commission may not appoint as independent counsel a person who holds any office of profit or trust under the United States.

(b) COMPENSATION.—An independent counsel shall receive compensation at the per diem rate equal to the annual rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(c) SCOPE OF INVESTIGATION.—(1) At the time that the Commission appoints an independent counsel, the Commission shall describe with specificity in the appointment the subject matter with respect to which the investigation shall be conducted.

(2) The Commission may enlarge the subject matter with respect to which an investigation shall be conducted—

(A) at the recommendation of the independent counsel, based on facts that come to the knowledge of the independent counsel during an investigation; or

(B) in response to a request for review and sworn statement alleging new facts that is presented to the Commission by any person prior to the conclusion of an investigation.

(d) GENERAL AUTHORITIES.—(1) An independent counsel may—

(A) make such expenditures;

(B) hold such hearings;

(C) require by subpoena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, documents, or other records of any kind;

(D) administer such oaths;

(E) take such testimony orally or by deposition; and

(F) employ and fix the compensation of such assistant counsel, investigators, technical assistants, consultants, and clerical staff as the independent counsel deems advisable.

(2) An independent counsel may procure the temporary services (not in excess of 1 year) or intermittent services of consultants by contract as independent contractors or by employment at daily rates of compensation not in excess of the per diem equivalent of the highest rate of compensation that may be paid to a regular employee of the Committee on Rules and Administration.

(e) USE OF SERVICES, FACILITIES, INFORMATION, AND EMPLOYEES.—(1) With the consent of the department or agency concerned, an independent counsel may—

(A) use the services, facilities, and information of any department or agency of the United States; and

(B) employ on a reimbursable basis or otherwise the services of such personnel of such a department or agency as the independent counsel deems advisable.

(2) With the consent of the committee, subcommittee, or office concerned, an independent counsel may use the services, facilities, and information of any committee, subcommittee, or office of the Senate when the independent counsel determines that to do so is necessary and appropriate.

(f) OPPORTUNITY TO BE HEARD.—An independent counsel shall provide a person that is the subject of an investigation notice of the investigation and a full opportunity to respond orally and in writing and submit evidence in response to allegations made concerning the person.

(g) REPORT AND RECOMMENDATION.—(1) At the conclusion of an investigation, an independent counsel shall submit to the Members of the Senate a report that—

(A) states findings of fact made in the investigation;

(B) states any conclusions that may be drawn with respect to whether improper conduct or a violation of law has occurred; and

(C) recommends an appropriate sanction for any improper conduct or violation of law that is found to have occurred.

(2) A sanction recommended by an independent counsel in a report under paragraph (1) may include—

(A) in the case of improper conduct or a violation of law by a Member of the Senate, censure, expulsion, or recommendation to the appropriate party conference regarding

the Member's seniority or position of responsibility; and

(B) in the case of improper conduct or a violation of law by an officer or employee of the Senate, suspension or dismissal from employment by the Senate.

(3) At any time at which an independent counsel finds facts that give reason to believe that a violation of law has occurred, the independent counsel shall report those facts to the appropriate Federal or State law enforcement authorities.

(h) SENATE ACTION.—After a report is submitted under subsection (g), any Member of the Senate may introduce a resolution proposing that the Senate adopt the report of the independent counsel with or without modification and impose an appropriate sanction.

(i) PAYMENT OF EXPENSES.—Expenses of the Commission and compensation and expenses of an independent counsel shall be paid out of the contingent fund of the Senate.

SEC. 4. TRANSFER OF FUNCTIONS TO THE COMMITTEE ON RULES AND ADMINISTRATION.

(a) AMENDMENT OF RULE XXV.—Paragraph 1(n) of rule XXV of the Standing Rules of the Senate is amended—

(1) by striking "and" at the end of clause (2)(A);

(2) by striking the period at the end of clause (2)(B) and inserting "; and";

(3) by adding at the end of clause (2) the following new subclauses:

"(C) administer the reporting requirements of title I of the Ethics in Government Act of 1978 (5 U.S.C. App.);

"(D) recommend to the Senate, by report or resolution, such additional rules or regulations as the committee determines to be necessary or desirable to ensure proper standards of conduct by Members, officers, and employees of the Senate in the performance of their duties and the discharge of their responsibilities;

"(E) issue interpretative rulings explaining and clarifying the application of any law, the Code of Official Conduct, or any rule or regulation of the Senate within its jurisdiction;

"(F) render an advisory opinion, in writing within a reasonable time, in response to a written request by a Member or officer of the Senate or a candidate for nomination for election, or election to the Senate, concerning the application of any law, the Senate Code of Official Conduct, or any rule or regulation of the Senate within its jurisdiction to a specific factual situation pertinent to the conduct or proposed conduct of the person seeking the advisory opinion;

"(G) in its discretion render an advisory opinion in writing within a reasonable time in response to a written request by any employee of the Senate concerning the application of any law, the Senate Code of Official Conduct, or any rule or regulation of the Senate within its jurisdiction to a specific factual situation pertinent to the conduct or proposed conduct of the person seeking the advisory opinion;

"(H) perform the functions assigned to the Select Committee on Standards and Conduct of the Senate in section 6 of Public Law 93-191 (2 U.S.C. 502); and

"(I) be deemed to be an 'employing agency' under section 7342(a)(6)(B) in place of the Select Committee on Ethics."; and

(4) by adding at the end the following new clauses:

"(3)(A) Notwithstanding any provision of the Senate Code of Official Conduct or any rule or regulation of the Senate, a person who relies on any provision or finding of an advisory opinion rendered under clause (2)(F) or (G) and who acts in good faith in accordance with the provisions and findings of such an advisory opinion shall not, as a result of any such act, be subject to any sanction by the Senate.

"(B) An advisory opinion rendered under clause (2)(F) or (G) may be relied on by—

"(i) any person involved in the specific transaction or activity with respect to which the advisory opinion is rendered if the request for the advisory opinion included a complete and accurate statement of the specific factual situation; and

"(ii) any person involved in any specific transaction or activity which is indistinguishable in all its material aspects from the transaction or activity with respect to which the advisory opinion is rendered.

"(C) An advisory opinion rendered under clause (2)(F) or (G) shall be printed in the Congressional Record with appropriate deletions to assure the privacy of the individual concerned. Before rendering an advisory opinion the committee shall, to the extent practicable, provide any interested party with an opportunity to transmit written comments to the committee with respect to the request for such advisory opinion. The advisory opinions issued by the committee shall be compiled, indexed, reproduced, and made available on a periodic basis.

"(D) A brief description of a waiver granted under section 102(a)(2)(B) of title I of Ethics in Government Act of 1978 (5 U.S.C. App.) or paragraph 1 of rule XXXV shall be made available upon request in the committee office with appropriate deletions to assure the privacy of the person concerned.

"(4)(A) The responsibilities of the Committee on Rules and Administration under clause (3)(C), (D), (E), (F), (G), (H), and (I) and under the Senate Code of Official Conduct shall be administered by a Subcommittee on Ethics comprised of an equal number of members of the major political parties.

"(B) A determination made or action taken by the Subcommittee on Ethics may be modified by—

"(i) the Committee on Rules and Administration by a vote of the majority of the members of each of the major political parties; or

"(ii) resolution of the Senate.".

(b) AMENDMENT OF SENATE CODE OF OFFICIAL CONDUCT.—Rules XXXV, XXXVII, and XLI of the Standing Rules of the Senate are amended—

(1) by striking "Select Committee on Ethics" each place it appears and inserting "Committee on Rules and Administration"; and

(2) by striking "Select Committee" each place it appears and inserting "Committee on Rules and Administration".

SEC. 5. ABOLISHMENT OF SELECT COMMITTEE ON ETHICS.

Effective on the date that the initial 8 members of the Commission take office, the following resolutions are repealed:

(1) Senate Resolution 338, 88th Cong., 2d Sess., 100 Cong. Rec. 16939 (1964).

(2) Senate Resolution 223, 96th Cong., 1st Sess., 125 Cong. Rec. 22471 (1979).

(3) Senate Resolution 290, 96th Cong., 1st Sess., 125 Cong. Rec. 33623 (1979).

(4) Senate Resolution 425, 97th Cong., 2d Sess., 128 Cong. Rec. 20820 (1982).

• Mr. COATS. Mr. President, I rise today to submit legislation to abolish the Senate Ethics Committee and replace it with an independent counsel.

Americans have become deeply cynical about the Congress. They ask if an institution which can't govern itself can govern the rest of us. And frankly, the failure of the Ethics Committee to act promptly and to place clear standards of conduct above partisanship has fed the disillusionment. Raw politics rules, not principled standards of public service.

You would not try an accused person before a jury of his family. But in the eyes of most Americans, that is essentially what the Senate Ethics Committee amounts to. For evidence, we need look no further than the Keating investigation.

My resolution replaces the Senate Ethics Committee with an independent commission tasked with reviewing all allegations of misconduct. The commission would be given full investigatory authority. Where evidence so warrants, the commission is authorized to appoint an independent counsel to pursue allegations. Essentially, my resolution applies the same standard of independent scrutiny to the legislative branch which we now apply to the executive.

I believe that we have a unique opportunity—a moment when public anger burns white hot—to implement meaningful reform and to begin to restore the public trust essential to effective leadership.•

AMENDMENTS SUBMITTED

COMPREHENSIVE DEPOSIT INSURANCE REFORM AND TAXPAYER PROTECTION ACT

RIEGLE (AND GARN) AMENDMENT NO. 1350

Mr. RIEGLE (for himself and Mr. GARN) proposed an amendment to the bill (S. 543) to reform Federal deposit insurance, protect the deposit insurance funds, and improve supervision and regulation of and disclosure relating to federally insured depository institutions, as follows:

Beginning with page 122, line 23, strike all through page 125, line 8, and insert the following:

"(viii) SPECIAL ASSESSMENT TO RECOVER LOSSES ON FOREIGN DEPOSITS.—

"(I) IN GENERAL.—This paragraph shall apply if—

"(aa) the Corporation incurs a loss with respect to an insured depository institution; and

"(bb) persons with foreign deposits at the institution receive more than they would have received if a receiver had been appointed for the institution on the relevant date and the applicable foreign deposits had been included as part of the receivership's liabilities.

"(II) SPECIAL ASSESSMENT REQUIRED.—The Corporation shall, as soon as practicable, recover the difference between—

"(aa) the amount that persons with foreign deposits at the institution received, and

"(bb) the amount that the Corporation estimates those persons would have received if

a receiver had been appointed for the institution on the relevant date and the applicable foreign deposits had been included as part of the receivership's liabilities,

by imposing 1 or more special assessments on all members of the deposit insurance fund of which the institution was or is a member, in proportion to the foreign deposits held by those members at the beginning of the semiannual period containing the relevant date. The Corporation shall base the estimate required by item (bb) on the estimated loss that the Corporation will incur in the resolution actually undertaken with respect to the institution. Any calculation under this subparagraph shall be in the Corporation's sole discretion.

"(III) TIMING OF SPECIAL ASSESSMENTS.—

"(aa) IN GENERAL.—Special assessments under subclause (II) shall begin not later than the semiannual period beginning 90 days after the date on which the aggregate amounts calculated under subclause (II) (with respect to all institutions that were or are members of the deposit insurance fund), and not yet assessed, exceed $1,000,000.

"(bb) INTEREST ON DELAYED ASSESSMENTS.—Any amount calculated under subclause (II) and not yet assessed shall bear interest at the daily average yield on 3-month Treasury obligations.

"(IV) DEFINITIONS.—For purpose of this paragraph:

"(aa) CAPITAL CATEGORIES.—The terms 'adequately capitalized' and 'significantly undercapitalized' have the same meanings as in section 37 of the Federal Deposit Insurance Act.

"(bb) FOREIGN DEPOSIT.—The term 'foreign deposit' means any obligation of an insured depository institution described in subparagraph (A) or (B) of section 3(l)(5).

"(cc) RELEVANT DATE.—The term 'relevant date' means the date on which the earliest of the following occurs with respect to an insured depository institution:

"(AA) The institution is significantly undercapitalized, and has advances from a Federal Reserve bank outstanding for more than 5 consecutive days (without subsequently becoming adequately capitalized).

"(BB) The Corporation initiates assistance under section 13(c) with respect to the institution.

"(CC) A receiver or conservator is appointed for the institution.".

Beginning on page 231, line 21, strike all through page 233, line 22, and insert the following:

"(6) SPECIAL ASSESSMENT TO RECOVER LOSSES ON FOREIGN DEPOSITS.—

"(A) IN GENERAL.—This paragraph shall apply if—

"(i) the Corporation incurs a loss with respect to an insured depository institution; and

"(ii) persons with foreign deposits at the institution receive more than they would have received if a receiver had been appointed for the institution on the relevant date and the applicable foreign deposits had been included as part of the receivership's liabilities.

"(B) SPECIAL ASSESSMENT REQUIRED.—The Corporation shall, as soon as practicable, recover the difference between—

"(i) the amount that persons with foreign deposits at the institution received, and

"(ii) the amount that the Corporation estimates those persons would have received if a receiver had been appointed for the institution on the relevant date and the applicable foreign deposits had been included as part of the receivership's liabilities,

by imposing 1 or more special assessments on all members of the deposit insurance fund of which the institution was or is a member, in proportion to the foreign deposits held by those members at the beginning of the semiannual period containing the relevant date.

The Corporation shall base the estimate required by clause (ii) on the estimated loss that the Corporation will incur in the resolution actually undertaken with respect to the institution. Any calculation under this subparagraph shall be in the Corporation's sole discretion.

"(C) TIMING OF SPECIAL ASSESSMENTS.—

"(i) IN GENERAL.—Special assessments under subparagraph (B) shall begin not later than the semiannual period beginning 90 days after the date on which the aggregate amounts calculated under subparagraph (B) (with respect to all institutions that were or are members of the deposit insurance fund), and not yet assessed, exceed $1,000,000.

"(ii) INTEREST ON DELAYED ASSESSMENTS.—Any amount calculated under subparagraph (B) and not yet assessed shall bear interest at the daily average yield on 3-month Treasury obligations.

"(D) DEFINITIONS.—For purposes of this paragraph:

"(i) CAPITAL CATEGORIES.—The terms 'adequately capitalized' and 'significantly undercapitalized' have the same meanings as in section 37 of the Federal Deposit Insurance Act.

"(ii) FOREIGN DEPOSIT.—The term 'foreign deposit' means any obligation of an insured depository institution described in subparagraph (A) or (B) of section 3(l)(5).

"(iii) RELEVANT DATE.—The term 'relevant date' means the date on which the earliest of the following occurs with respect to an insured depository institution:

"(I) The institution is significantly undercapitalized, and has advances from a Federal Reserve bank outstanding for more than 5 consecutive days (without subsequently becoming adequately capitalized).

"(II) The Corporation initiates assistance under section 13(c) with respect to the institution.

"(III) A receiver or conservator is appointed for the institution.".

On page 295, between lines 9 and 10, insert the following:

"(C) SPECIAL ASSESSMENTS ON FOREIGN DEPOSITS.—The Corporation shall not consider the proceeds of any special assessment on foreign deposits.".

KOHL (AND OTHERS) AMENDMENT NO. 1351

Mr. KOHL (for himself, Mr. NICKLES, and Mr. DECONCINI) proposed an amendment to the bill S. 543, supra, as follows:

At the end of title II, add the following new section:

SEC. 231. SENSE OF THE SENATE.

(a) FINDINGS.—The Senate finds that—

(1) one of the primary purposes of banking legislation is to restore the confidence of the American public in the soundness and equity of the United States banking system;

(2) public confidence in the soundness of the Bank Insurance Fund has been shaken by a Congressional Budget Office estimate that by the close of 1993, bank failures among large banks will cost the insurance fund approximately $15,000,000,000, compared to a $5,000,000,000 cost for the failures among small banks;

(3) public confidence in the equity of the deposit insurance system has been shaken by the too-big-to-fail policy—a policy which granted less Federal protection to the depositors in smaller banks, such as the Freedom National Bank in Harlem, than to depositors in larger banks, such as the Bank of New England;

(4) public confidence in the soundness and equity of the deposit insurance system has been shaken by the United States Government's practice of covering foreign deposits with Federal deposit insurance but not assessing those deposits with deposit insurance premiums;

(5) this practice has resulted in smaller community banks being charged deposit insurance premiums on a higher percentage of their deposit base than their larger competitors;

(6) foreign deposits are not insured deposits under the Federal Deposit Insurance Act; and

(7) this Act take important steps to address the too-big-to-fail policy and to end the unauthorized coverage of unassessed foreign deposits.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that any final banking legislation should make it clear that foreign deposits are not covered by deposit insurance unless those deposits are assessed for that coverage.

DIXON AMENDMENT NO. 1352

Mr. DIXON proposed an amendment to the bill S. 543, supra, as follows:

At the appropriate place add the following additional title:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Resolution Trust Corporation Reform Act of 1991".

(b) TABLE OF CONTENTS.—

Section 1. Short title; table of contents.

SUBTITLE A—REFORM OF THE RTC

Sec. 101. Oversight of the Resolution Trust Corporation.
Sec. 102. Savings and transitional provisions.
Sec. 103. Technical and conforming amendments.

SUBTITLE B—DISPOSITION OF PROPERTY BY RESOLUTION TRUST CORPORATION

Sec. 201. Sales records.
Sec. 202. Sale of condominium properties.
Sec. 203. Anti-speculation provisions.
Sec. 204. Inclusion of multifamily property under conservatorship in affordable housing program and continuation of program for single family property.
Sec. 205. Definition of income for eligibility determination under the Single Family Affordable Housing Disposition Program.
Sec. 206. Public disclosure of transactions.
Sec. 207. Operation of branch facilities by minorities and women.
Sec. 208. Seller financing procedures.
Sec. 209. Utilization of competitive bidding methods.
Sec. 210. Disposition of significant property.
Sec. 211. Office of Dispute Resolution.
Sec. 212. Interest paid by institutions in conservatorship.
Sec. 213. Management and disposition of property by local office which is closest to the property.

SUBTITLE C—MISCELLANEOUS

Sec. 301. Suspension of funding upon the failure to provide an audited financial statement.

Sec. 302. Uninsured depositors not covered.
Sec. 303. Disclosure of certain Resolution Trust Corporation salaries.
Sec. 304. Whistleblower protection.
Sec. 305. GAO study of privatization of Resolution Trust Corporation functions.

SUBTITLE A—REFORM OF THE RTC

SEC. 101. OVERSIGHT OF THE RESOLUTION TRUST CORPORATION.

(a) IN GENERAL.—Effective on the date of enactment of this Act—

(1) the Oversight Board established under section 21A of the Federal Home Loan Bank Act (12 U.S.C. 1441a) is abolished; and

(2) section 21A of the Federal Home Loan Bank Act (12 U.S.C. 1441a) is amended by striking subsections (a), (m), and (n) and by redesignating subsections (b), (c), (d), (e), (f), (g), (h), (i), (j), (k), (l), (o), (p), (q), and (r), as subsections (a), (b), (c), (d), (e), (f), (g), (h), (i), (j), (k), (l), (m), (n), and (o), respectively.

(b) DUTIES OF THE BOARD OF DIRECTORS.—Section 21A of the Federal Home Loan Bank Act (12 U.S.C. 1441a) is amended—

(1) in subsection (a)(1), as redesignated, by striking subparagraph (C) and inserting the following:

"(C) MANAGEMENT BY BOARD OF DIRECTORS.—The Corporation shall be managed by or under the direction of its Board of Directors."; and

(2) by striking paragraph (8) of subsection (a), as redesignated, and inserting the following:

"(8) BOARD OF DIRECTORS.—

"(A) IN GENERAL.—The Board of Directors of the Corporation shall consist of—

"(i) the Chief Executive Officer of the Resolution Trust Corporation;

"(ii) the Secretary of the Treasury;

"(iii) the Chairperson of the Board of Directors of the Federal Deposit Insurance Corporation; and

"(iv) 2 independent members who shall be appointed by the President, by and with the advice and consent of the Senate. The nominations of the independent members shall be referred to the Committee on Banking, Housing, and Urban Affairs of the Senate.

"(B) VACANCY.—Any vacancy on the Board shall be filled in the same manner as the original appointment.

"(C) CHAIRPERSON.—The Chief Executive Officer of the Resolution Trust Corporation shall serve as Chairperson of the Board.

"(D) COMPENSATION OF GOVERNMENT MEMBERS.—The Secretary of the Treasury and the Chairperson of the Board of Directors of the Federal Deposit Insurance Corporation shall receive no pay, allowances, or benefits from the Corporation by reason of their service on the Board of Directors, but shall receive allowances in accordance with subchapter I of chapter 57 of title 5, United States Code, for necessary expenses of travel, lodging, and subsistence incurred in attending meetings and other activities of the Board of Directors, as set forth in the bylaws issued by the Board of Directors.

"(E) INDEPENDENT MEMBERS.—An independent member shall—

"(i) not hold any other appointed office during his or her term as a member;

"(ii) not be a member of the same political party as the other individual member; and

"(iii) be appointed for a term of 5 years.

"(F) COMPENSATION FOR INDEPENDENT MEMBERS.—The independent members of the Board of Directors shall be paid at a rate equal to the daily equivalent of the rate of basic pay for Level II of the Executive Schedule for each day (including travel time) during which such member is engaged in the actual performance of duties of the Board.

"(G) QUORUM REQUIRED.—A quorum shall consist of 3 members of the Board of Directors of the Corporation. All decisions of the Corporation shall require an affirmative vote of at least a majority of the members voting.

"(H) DUTIES.—

"(i) IN GENERAL.—The Board of Directors shall oversee and be accountable for the activities of the Corporation.

"(ii) STRATEGIC REVIEW.—The Board of Directors shall develop and establish overall strategies, policies, and goals for the Corporation, including such items as general policies for case resolution, the management and disposition of assets, the use of private contractors, and the use of notes, guarantees, or other obligations by the Corporation.

"(iii) FINANCING.—The Board of Directors shall review prior to implementation any periodic financing requests made to the Secretary of the Treasury or the Federal Financing Bank or otherwise developed by the Corporation.

"(iv) RULEMAKING.—The Board of Directors shall prescribe such rules and regulations as it may deem necessary to carry out the provisions of this section or any other law which it has the responsibility of administering or enforcing.

"(v) MEETINGS.—All meetings of the Board of Directors shall be open meetings, subject to the provisions of section 552b of title 5, United States Code.

"(vi) TRANSCRIPTS.—The Board shall maintain a transcript of each of its meetings.

"(vii) BUDGET.—The Board of Directors shall adopt the budget of the Corporation and monitor the performance of the Corporation relative to approved budget plans.

"(viii) ADVISORY BOARDS.—The Board of Directors shall maintain 2 national advisory boards and not less than 6 regional advisory boards, to be established pursuant to subsection (c).

"(ix) INTERNAL AUDITS.—The Board of Directors shall evaluate audits by the Inspector General and other congressionally required audits and reports.

"(x) COMMITTEES.—The Board shall establish such committees as it deems appropriate and delegate requisite authority to such committees.";

(3) in subsection (a)(9), as redesignated, by adding at the end the following new subparagraph:

"(C) CHIEF EXECUTIVE OFFICER.—The Corporation shall have a chief executive officer appointed by the President, by and with the advice and consent of the Senate. The chief executive officer shall serve a 5-year term. The chief executive officer shall be an employee of the Federal Deposit Insurance Corporation provided to the Corporation for that purpose and shall receive such compensation and benefits as the Corporation's Board of Directors may determine from time to time in accordance with the laws and regulations applicable to the personnel practices of the Federal Deposit Insurance Corporation. The Corporation's Board of Directors shall provide the chief executive officer with such powers as shall be adequate for the chief executive officer's efficient management and administration of the Corporation's day-to-day affairs. Among such duties, authorities, and powers shall be the duty, authority, and power, subject to the ultimate direction of the Corporation's Board of Directors:

"(i) To specify the duties, authorities, and powers of other officers of the Corporation and the duties, authorities, and powers of other persons, including employees of the Federal Deposit Insurance Corporation, acting on behalf of the Corporation.

"(ii) To make and modify staffing plans and organizational and management structures of the Corporation to meet the goals of this Act and other applicable laws.

"(iii) To direct all aspects of the Corporation's operations in a manner consistent with general practices of the private sector and with this Act and other applicable law.

"(iv) To modify and implement existing rules, regulations, standards, policies, principles, procedures, guidelines, and statements in order to optimize the Corporation's performance, including, but not limited to, its performance in the disposition of assets.

"(v) To develop, adopt, and implement new rules, regulations, standards, policies, principles, procedures, guidelines, and statements in order to optimize the Corporation's performance, including, but not limited to, its performance in the disposition of assets.

"(vi) To set and adjust the compensation and benefits of persons (other than the chief executive officer) acting on behalf of the Corporation in accordance with laws and regulations applicable to the personnel practices of the Federal Deposit Insurance Corporation.

"(vii) To choose employees of the Federal Deposit Insurance Corporation to be provided to the Corporation by the Federal Deposit Insurance Corporation, to request that the Federal Deposit Insurance Corporation employ specified persons for that purpose, and to return at any time to the Federal Deposit Insurance Corporation any such employee so provided.";

(4) in subsection (c), as redesignated—

(A) in paragraph (1)—

(i) by striking "(b)(3)(A)" in subparagraph (A) and inserting "(a)(3)(A)"; and

(ii) by striking "(2)" in subparagraph (B)(ii) and inserting "(3)";

(B) by redesignating paragraphs (2) through (4) as paragraphs (3) through (5), respectively;

(C) by inserting after paragraph (1) the following new paragraph:

"(2) NATIONAL HOUSING ADVISORY BOARD.—

"(A) ESTABLISHMENT.—The Board of Directors shall establish a National Housing Advisory Board to advise the Board of Directors on policies and programs related to the provision of low-income housing.

"(B) MEMBERSHIP.—The National Housing Advisory Board shall consist of—

"(i) the Secretary of Housing and Urban Development; and

"(ii) the chairpersons of any regional advisory boards established pursuant to paragraph (3).

"(C) MEETINGS.—The National Housing Advisory Board shall meet 4 times a year, or more frequently if requested by the Board."; and

(D) in paragraph (3)(A), as redesignated, by striking "(b)(3)(A)" and inserting "(a)(3)(A)";

(5) by striking subsection (a)(1)(C), as redesignated;

(6) in subsection (a)(3), as redesignated, by striking "to carry out a program, under the general oversight of the Oversight Board and through the Federal Deposit Insurance Corporation (or any replacement authorized pursuant to subsection (m)), including";

(7) in subsection (a)(7), as redesignated—

(A) by striking "subject to general supervision by the Oversight Board under subsection (a) of this section and shall be"; and

(B) by striking "(j)" and inserting "(a)(8)(b)(iii) and (i)";

(8) by striking subsection (a)(9), as redesignated, and inserting the following:

"(9) STAFF.—

"(A) IN GENERAL.—The Corporation itself shall have no employees.

"(B) UTILIZATION OF EMPLOYEES.—The Corporation may use employees of the Federal Deposit Insurance Corporation and shall reimburse the Federal Deposit Insurance Corporation for its actual costs incurred in providing such employees. Such employees shall remain subject to the personnel practices of the Federal Deposit Insurance Corporation. The Corporation may use administrative services of the Federal Deposit Insurance Corporation and shall reimburse the Federal Deposit Insurance Corporation for its actual costs incurred in providing such services.";

(9) in subsection (a)(10), as redesignated—

(A) by striking subparagraphs (B) and (L); and

(B) by redesignating subparagraphs (C), (D), (E), (F), (G), (H), (I), (J), (K), (M), and (N) as paragraphs (B), (C), (D), (E), (F), (G), (H), (I), (J), (K), and (L), respectively;

(10) in subsection (a)(11)(B)(iv), as redesignated—

(A) by striking "the Oversight Board and"; and

(B) by striking "(k)" and inserting "(j)";

(11) in subsection (a)(11)(C)(i), as redesignated, by striking "The cost or income of any modification shall be a liability or an asset of the Corporation or the FSLIC Resolution Fund as determined by the Oversight Board" and inserting "The cost or income of any modification shall be a liability or an asset of the FSLIC Resolution Fund";

(12) in subsection (a)(12), as redesignated, by striking paragraphs (A) and (B) and inserting the following:

"(A) IN GENERAL.—The Chief Executive Officer of the Resolution Trust Corporation may issue or modify such rules, regulations, standards, policies, principles, procedures, guidelines, and statements as are necessary or appropriate to carry out this section. The Chief Executive Officer of the Resolution Trust Corporation shall keep the Board of Directors reasonably informed of such actions. The Board of Directors shall have the power to require modification of any such actions.

"(B) NOTICE AND COMMENT.—Such rules, regulations, standards, policies, procedures, guidelines, and statements shall be promulgated pursuant to subchapter II of chapter 5 of title 5, United States Code.";

(13) by striking subsection (a)(13), as redesignated, and inserting the following:

"(13) PERIODIC FINANCING REPORTS.—The Corporation shall provide the Secretary of the Treasury with quarterly financing reports which shall detail—

"(A) anticipated funding requirements for operations, case resolutions, and asset liquidation;

"(B) anticipated payments on previously issued notes, guarantees, other obligations, and related activities; and

"(C) any proposed requests for advances from the Secretary of the Treasury or from the Federal Financing Bank.";

(14) in subsection (c), as redesignated, by striking "Oversight Board" each place it appears and inserting "Board of Directors of the Corporation";

(15) in subsection (f), as redesignated, by striking "and the Oversight Board" each place it appears;

(16) in subsection (g)(1), as redesignated, by striking "the Oversight Board,";

(17) in subsection (h)(1), as redesignated, by striking ", upon approval of the Oversight Board,";

(18) in subsection (j)(1), as redesignated, by striking "Oversight Board" each place it appears and inserting "Board of Directors of the Corporation";

(19) in subsection (j)(2), as redesignated, by striking "Oversight Board" wherever it appears and inserting "Board of Directors of the Corporation";

(20) in subsection (j)(3)(A), as redesignated, by striking "Oversight Board" and inserting "Board of Directors of the Corporation";

(21) in subsection (j)(3)(B), as redesignated, by striking "the Oversight Board and";

(22) in subsection (j)(4)(A), as redesignated, by striking "Oversight Board and the";

(23) in subsection (j)(5)(A), as redesignated—

(A) by striking "the Oversight Board and"; and

(B) by striking ", the Federal Deposit Insurance Corporation, and the Oversight Board";

(24) by striking subsection (j)(5)(B)(iii), as redesignated, and inserting the following:

"(iii) The number of persons acting on behalf of the Corporation and the Federal Deposit Insurance Corporation at the beginning and end of the reporting period.";

(25) in subsection (j)(5)(B)(xi), as redesignated, by striking "Oversight Board" and inserting "Board of Directors of the Corporation";

(26) in subsection (j)(5)(B)(xii), as redesignated, by striking "the Oversight Board or";

(27) in subsection (j)(6), as redesignated, by striking "Oversight Board" each place it appears and inserting "Chief Executive Officer of the Corporation";

(28) in subsection (j)(7), as redesignated—

(A) in subparagraph (A), by striking "Before January 31, 1990, the Oversight Board and" and inserting "Before January 31, 1992, the Chief Executive Officer of the Corporation"; and

(B) in subparagraph (B)—

(i) by striking "of the Oversight Board and the Corporation", and

(ii) by striking "Oversight Board and the Corporation"; and inserting "the Chief Executive Officer of the Corporation";

(29) in subsection (j)(8), as redesignated, by striking "Oversight Board" and inserting "Board of Directors of the Corporation";

(30) in subsection (j)(9), as redesignated, by striking "Oversight Board" each place it appears and inserting "Board of Directors of the Corporation";

(31) by striking subsection (k)(3), as redesignated, and inserting the following:

"(3) REMOVAL AND REMAND.—

"(A) IN GENERAL.—The Corporation, in any capacity and without bond or security, may remove any action, suit, or proceeding from a State court to the United States district court with jurisdiction over the place where the action, suit, or proceeding is pending, to the United States District Court for the District of Columbia, or to the United States District Court with jurisdiction over the principal place of business of any institution for which the Corporation has been appointed conservator or receiver if the action, suit, or proceeding is brought against the institution or the Corporation as conservator or receiver of such institution. The removal of any such, suit, or proceeding shall be instituted—

"(i) not later than 90 days after the date the Corporation is substituted as a party, or

"(ii) not later than 30 days after service on the Corporation, if the Corporation is named as a party in any capacity and if such suit is filed after August 9, 1989.

"(B) SUBSTITUTION.—The Corporation shall be deemed substituted in any action, suit, or proceeding for a party upon the filing of a copy of the order appointing the Corporation as conservator or receiver for that party or the filing of such other pleading informing the court that the Corporation has been appointed conservator or receiver for such party.

"(C) APPEAL.—The Corporation may appeal any order of remand entered by a United States district court.";

(32) in subsection (m), as redesignated—

(A) in paragraph (1)(A), by striking "the Oversight Board or" wherever it appears;

(B) in paragraphs (1), (2), (3), and (5), by striking "Oversight Board and the" wherever it appears;

(C) in paragraph (4)—

(i) by inserting after "The chief executive officer" "or any independent member of the Board of Directors";

(ii) by inserting after "the chief executive was" "or the independent member of the Board of Directors was"; and

(iii) by inserting after "chief executive officer" wherever it appears "or independent member";

(D) in paragraph (6)(A), by striking "Oversight Board" and inserting "Board of Directors of the Corporation";

(E) in paragraph (7)—

(i) by striking "Oversight Board or the" wherever it appears; and

(ii) in subparagraph (B), by striking "or the Oversight Board"; and

(F) in paragraph (8)—

(i) by striking "(8) PRIORITY OF OVERSIGHT BOARD RULES", and inserting "(8) PRIORITY OF RULES";

(ii) by striking "or the Oversight Board"; and

(iii) by striking "by the Oversight Board" and inserting "by the Board of Directors of the Corporation"; and

(33) in subsection (n), as redesignated, by striking "or of the Oversight Board" each place it appears.

(c) CONFORMING AMENDMENTS.—

(1) INSPECTOR GENERAL ACT.—Section 11 of the Inspector General Act of 1978 (5 U.S.C. App.) is amended in paragraph (1) by striking "the Oversight Board" and inserting a semicolon.

(2) COMPENSATION.—Section 5313 of title 5, United States Code, is amended by striking "Independent Members, Oversight Board, Resolution Trust Corporation." and inserting "Independent Members, Board of Directors, Resolution Trust Corporation.".

(3) TIMELINESS OF REPORTS.—Section 102(c) of the Resolution Trust Corporation Funding Act of 1991 (12 U.S.C. 1441a note) is amended—

(A) by striking "the President of the Oversight Board, and"; and

(B) by striking "Chairperson of the Resolution Trust Corporation" and inserting "Chief Executive Officer of the Resolution Trust Corporation".

(d) RIGHTS OF EMPLOYEES.—Section 404 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (103 Stat. 361) is amended—

(1) in paragraph (2)—

(A) by inserting "grade," after "status, tenure,"; and

(B) by inserting "or, if the employee is a temporary employee, separated in accordance with the terms of the appointment" after "cause"; and

(2) in paragraph (9)—

(A) by striking "section 21A(m)" and inserting "section 21A(*l*)";

(B) by striking "of such Corporation shall be transferred to" and inserting "of the Federal Deposit Insurance Corporation assigned

to the Resolution Trust Corporation shall be reassigned to a position within"; and

(C) by striking "of this subsection" and inserting "of this section".

(e) INTERIM APPOINTMENTS.—

(1) CHIEF EXECUTIVE OFFICER.—The President shall appoint an interim Chief Executive Officer who shall serve until the earlier of June 30, 1992, or the date on which the Chief Executive Officer of the Resolution Trust Corporation is appointed and takes office under section 21A(a)(8) of the Federal Home Loan Bank Act.

(2) RESOLUTION TRUST CORPORATION BOARD.—The President shall appoint 2 interim independent members, each of whom shall serve on the Board of Directors of the Corporation until the earlier of June 30, 1992, or the date on which the 2 independent members of the Board are appointed and take office under section 21A(a)(8) of the Federal Home Loan Bank Act.

(3) STATUS.—The interim Chief Executive Officer and interim independent members shall have the same authorities and duties as the Chief Executive Officer and independent members provided for by section 21A(a) of the Federal Home Loan Bank Act.

SEC. 103. SAVINGS AND TRANSITIONAL PROVISIONS.

(a) SAVINGS PROVISIONS.—

(1) EXISTING RIGHTS, DUTIES, AND OBLIGATIONS NOT AFFECTED.—This title shall not affect the validity of any right, duty, or obligation of the United States, the Corporation, the Oversight Board, or any other person, which—

(A) arises under or pursuant to the Federal Home Loan Bank Act, or any other provision of law applicable with respect to the Oversight Board; and

(B) existed on the day before the date of the enactment of this Act.

(2) CONTINUATION OF SUITS.—No action or other proceeding commenced by or against the Oversight Board, with respect to any function of the Oversight Board, shall abate by reason of the enactment of this Act, except that the Board of Directors of the Corporation shall be substituted for the Oversight Board as a party to any such action or proceeding.

(b) CONTINUATION OF ORDERS, RESOLUTIONS, DETERMINATIONS, AND REGULATIONS.—All orders, resolutions, determinations, and regulations, which—

(1) have been issued, made, prescribed, or allowed to become effective by the Oversight Board (including orders, resolutions, determinations, and regulations which relate to the conduct of conservatorships and receiverships), or by a court of competent jurisdiction, in the performance of functions which are transferred by this Act; and

(2) are in effect on the date this Act takes effect,

shall continue in effect according to the terms of such orders, resolutions, determinations, and regulations, and shall be enforceable by or against the Board of Directors until modified, terminated, set aside, or superseded in accordance with applicable law by the Board of Directors, by any court of competent jurisdiction, or by operation of law.

(c) EMPLOYEE PROTECTIONS.—(1)(A) Any permanent employee of the Federal Deposit Insurance Corporation who was performing services on behalf of the Resolution Trust Corporation immediately prior to the enactment of this Act shall continue to be assigned to perform services on behalf of the Resolution Trust Corporation with the same status, tenure, grade, and pay, unless voluntarily separated, or removed for cause. Temporary employees may be separated in accordance with the terms of their appointment.

(B) Any reduction-in-force or reorganization that occurs after the one-year period specified in subparagraph (A) shall be conducted in accordance with chapters 33 and 35 of title 5, United States Code, and the procedures promulgated pursuant to them. Any such reduction-in-force or reorganization shall be deemed a "major reorganization" or a "major reduction-in-force" for purposes of section 8336(d)(2) and 8414(b)(1)(B) of title 5, United States Code, and any separated employee shall be entitled to severance payments in accordance with section 5595 of title 5, United States Code.

(2)(A) Effective upon enactment of this Act, each officer and employee of the Oversight Board, employed by such Board on the day before the date of enactment of this Act, shall be transferred to the Federal Deposit Insurance Corporation, and such transfer shall be deemed a transfer of function for the purpose of section 3503 of title 5, United States Code. Each transferred officer and employee, including officers and employees in the Senior Executive Service, or its equivalent, shall be entitled to the protections provided transferred employees under subsections (2), and (4) through (7) of section 404 of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, except that the liability for any difference in the costs and benefits described in paragraph (5) of such section shall be a liability of the Resolution Trust Corporation and not the Office of Thrift Supervision. Within 60 days of the date of enactment of this Act, the Federal Deposit Insurance Corporation shall assign each transferred officer and employee to a position performing services on behalf of the Resolution Trust Corporation with responsibilities commensurate with the qualifications and experience of each such transferred officer and employee, as determined by the Federal Deposit Insurance Corporation. Nothing contained herein shall be construed to require the Federal Deposit Insurance Corporation to assign any such transferred officer or employee to a position held by any officer or any employee of the Federal Deposit Insurance Corporation or of the Resolution Trust Corporation.

(B) Any employee that declines a transfer pursuant to subparagraph (A), shall be entitled to severance pay in accordance with section 5595 of title 5, United States Code. All such severance pay shall be paid by the Resolution Trust Corporation.

(C) If otherwise eligible, in addition to the severance pay provided by subparagraph (B), an employee that declines a transfer shall be entitled to an annuity under section 8336(d) or section 8414(b)(1) of title 5, United States Code.

(D) Any reduction-in-force or reorganization that occurs after the one-year period specified in section 404(4) of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 shall be conducted in accordance with chapters 33 and 35 of title 5, United States Code, and the procedures promulgated pursuant to them. Any such reduction-in-force or reorganization shall be deemed a "major reorganization" or a "major reduction-in-force" for purposes of section 8336(d)(2) and section 8414(b)(1)(B) of title 5, United States Code, and any separated employee shall be entitled to severance payments in accordance with section 5595 of title 5, United States Code.

(d) TRANSFER OF PROPERTY.—Effective upon enactment of this Act, all assets and liabilities of the Oversight Board on the day before enactment of this Act shall be transferred to the Resolution Trust Corporation.

SEC. 104. TECHNICAL AND CONFORMING AMENDMENTS.

The Federal Home Loan Bank Act (12 U.S.C. 1421 et seq.) is amended—

(1) in section 21 by striking "Oversight Board" each place it appears and inserting "Secretary of the Treasury"; and

(2) in section 21B—

(A) by striking "Oversight Board" each place it appears and inserting "Secretary of the Treasury"; and

(B) in subsection (k), by striking paragraph (7) and redesignating paragraphs (8) through (10) as paragraphs (7) through (9), respectively.

SUBTITLE B—DISPOSITION OF PROPERTY BY RESOLUTION TRUST CORPORATION

SEC. 201. SALES RECORDS.

Section 21A(a)(12)(D)(ii) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(a)(12)(D)(ii)), as redesignated, is amended by striking the last sentence and inserting the following: "If the Corporation sells a property located in a distressed area for less than the minimum disposition price, it shall maintain a written record of the reasons for its decision.".

SEC. 202. SALE OF CONDOMINIUM PROPERTIES.

(a) IN GENERAL.—Section 21A(b)(2) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(b)(2)), as redesignated, is amended by adding at the end the following new subparagraph:

"(C) OFFERS TO SELL CONDOMINIUM PROPERTIES.—Within a reasonable period of time after acquiring title to an eligible condominium property, the Corporation shall provide written notice to clearinghouses. Such notice shall contain basic information about the property. Each clearinghouse shall make such information available, upon request, to eligible multifamily purchasers. The Corporation shall allow eligible multifamily purchasers reasonable access to an eligible condominium property for purposes of inspection. For the 3 month period following the date on which the Corporation makes an eligible condominium property available for sale, the Corporation shall sell the property to—

"(i) qualifying households, or

"(ii) qualifying multifamily purchasers that agree to—

"(I) make the property available for occupancy by, and maintain it as affordable for, lower-income families for the remaining useful life of such property, or

"(II) make the property available for purchase by lower-income families.

The restrictions described in subclause (I) of the preceding sentence shall be contained in the deed or other recorded instrument. If upon the expiration of the 3 month period, no qualifying household or eligible multifamily purchaser has made a bona fide offer to purchase the eligible condominium property, the Corporation may offer to sell the property to any purchaser.".

(b) DEFINITION OF ELIGIBLE CONDOMINIUM PROPERTY.—Section 21A(b)(9) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(b)(9)), as redesignated, is amended by inserting at the end the following new subparagraph:

"(Q) ELIGIBLE CONDOMINIUM PROPERTY.—The term "eligible condominium property" means a condominium unit as defined in section 604(6) of the Housing and Community Development Act of 1980—

"(i) to which the Corporation acquires title; and

"(ii) that has an appraised value that does not exceed the applicable dollar amount set forth in section 203(b)(2) of the National Housing Act (without regard to any increase of such amount for high-cost areas).".

SEC. 203. ANTI-SPECULATION PROVISIONS.

(a) IN GENERAL.—Section 21A(b)(2) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(b)(2)), as redesignated, is amended by adding at the end the following new subparagraph:

"(D) ANTI-SPECULATION PROVISIONS.—If a property sold under this paragraph to a qualifying household is resold during the two years following the sale under this paragraph, any profit from the resale above the original sale price, increased for inflation and owner improvements, will be paid to the Corporation or its successor according to the following formula:

"(i) 75 percent of the profit will be paid to the Corporation if the property is sold during the first year following the sale under this paragraph; and

"(ii) 50 percent of the profit will be paid to the Corporation if the property is sold during the second year following the sale under this paragraph.".

(b) QUALIFYING HOUSEHOLD.—Section 21A(b)(9)(K) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(b)(9)(K)), as redesignated, is amended—

(1) by redesignating clause (ii) as clause (iii);

(2) in clause (i), by striking "principle residence;" and inserting "principal residence for a minimum of twelve months; (ii) who certifies in writing that the household intends to occupy the property as a principal residence for a minimum of twelve months;"; and

(3) in clause (iii), as redesignated, by striking "adjusted".

SEC. 204. INCLUSION OF MULTIFAMILY PROPERTY UNDER CONSERVATORSHIP IN AFFORDABLE HOUSING PROGRAM AND CONTINUATION OF PROGRAM FOR SINGLE FAMILY PROPERTY.

(a) CONTINUATION OF AFFORDABLE HOUSING PROGRAM FOR ELIGIBLE SINGLE FAMILY PROPERTY UNDER CONSERVATORSHIP.—Section 203 of the Resolution Trust Corporation Funding Act of 1991 is amended by inserting "(b)" after "sections 201".

(b) DEFINITION OF CORPORATION.—Section 21A(b)(9)(C) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(b)(9)(C)), as redesignated, is amended to read as follows:

"(C) CORPORATION.—The term 'Corporation' means the Resolution Trust Corporation acting in its corporate capacity, acting in its capacity as an operating conservator, or acting in its capacity as receiver (including in its capacity as the sole owner of a subsidiary corporation).".

SEC. 205. DEFINITION OF INCOME FOR ELIGIBILITY DETERMINATION UNDER THE SINGLE FAMILY AFFORDABLE HOUSING DISPOSITION PROGRAM.

Section 21A(b)(9) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(b)(9)), as redesignated, is amended by adding at the end the following new subparagraph:

"(R) INCOME.—The term 'income' has the same meaning as such term has under section 3 of the United States Housing Act of 1937.".

SEC. 206. PUBLIC DISCLOSURE OF TRANSACTIONS.

Section 21A(j)(2)(A) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(j)(2)(A)), as redesignated, 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:

"(iii) the identity of the accepted offeror and the terms of the accepted offer for sales of assets in excess of $250,000, by publication in the Federal Register no later than 30 days after the date of the transaction. For purposes of this clause, the term 'assets' includes any assets controlled or acquired by the Corporation as a result of its appointment as a conservator or a receiver.".

SEC. 207. OPERATION OF BRANCH FACILITIES BY MINORITIES AND WOMEN.

(a) ACQUISITION OF BRANCH FACILITIES FROM THE RESOLUTION TRUST CORPORATION.—Section 21A of the Federal Home Loan Bank Act (12 U.S.C. 1441a) is amended by adding at the end the following new subsection:

"(p) ACQUISITION OF BRANCH FACILITIES IN MINORITY NEIGHBORHOODS.—

"(1) IN GENERAL.—In the case of any savings association for which the Corporation has been appointed conservator or receiver, the Corporation shall make available any branch of such association which is located in any predominantly minority neighborhood to any minority depository institution or women's depository institution on the following terms:

"(A) The branch shall be made available on a rent-free lease basis for not less than 5 years.

"(B) Of all expenses incurred in maintaining the operation of the facilities in which such branch is located, the institution shall be liable only for the payment of applicable real property taxes, real property insurance, and utilities.

"(C) The lease may provide an option to purchase the branch during the term of the lease.

"(2) DEFINITIONS.—For purposes of this subsection—

"(A) MINORITY DEPOSITORY INSTITUTION.—The term 'minority depository institution' means a depository institution (as defined in section 3(c) of the Federal Deposit Insurance Act)—

"(i) more than 50 percent of the ownership or control of which is held by 1 or more minority individuals; and

"(ii) more than 50 percent of the net profit or loss of which accrues to 1 or more minority individuals.

"(B) WOMEN'S DEPOSITORY INSTITUTION.—The term 'women's depository institution' means a depository institution (as defined in section 3(c) of the Federal Deposit Insurance Act)—

"(i) more than 50 percent of the ownership or control of which is held by 1 or more women;

"(ii) more than 50 percent of the net profit or loss of which accrues to 1 or more women; and

"(iii) more than 50 percent of the senior management positions of which are held by women.

"(C) MINORITY.—The term 'minority' has the meaning given to such term by section 1204(c)(3) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

"(D) The term 'predominantly minority neighbordhood' shall be defined by regulation by the Corporation.".

(b) COMMUNITY REINVESTMENT CREDIT FOR DEPOSITORY INSTITUTIONS PROVIDING ASSISTANCE.—The Community Reinvestment Act of 1977 (12 U.S.C. 2901 et seq.) is amended by adding at the end the following new section:

"SEC. 808. OPERATION OF BRANCH FACILITIES BY MINORITIES AND WOMEN.

"(a) IN GENERAL.—In the case of any depository institution which donates, sells on favorable terms (as determined by the appropriate Federal financial supervisory agency), or makes available on a rent-free basis any branch of such institution which is located in any predominantly minority neighborhood to any minority depository institution or women's depository institution, the amount of the contribution or the amount of the loss incurred in connection with such activity shall be treated as meeting the credit needs of the institution's community for purposes of this title.

"(b) DEFINITIONS.—For purposes of this section—

"(1) MINORITY DEPOSITORY INSTITUTION.—The term 'minority depository institution' means a depository institution (as defined in section 3(c) of the Federal Deposit Insurance Act)—

"(A) more than 50 percent of the ownership or control of which is held by 1 or more minority individuals; and

"(B) more than 50 percent of the net profit or loss of which accrues to 1 or more minority individuals.

"(2) WOMEN'S DEPOSITORY INSTITUTION.—The term 'women's depository institution' means a depository institution (as defined in section 3(c) of the Federal Deposit Insurance Act)—

"(A) more than 50 percent of the ownership or control of which is held by 1 or more women;

"(B) more than 50 percent of the net profit or loss of which accrues to 1 or more women; and

"(C) more than 50 percent of the senior management positions of which are held by women.

"(3) MINORITY.—The term 'minority' has the meaning given to such term by section 1204(c)(3) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

"(4) The term 'predominantly minority neighborhood' shall be defined by regulation by the Corporation.".

SEC. 208. SELLER FINANCING PROCEDURES.

Section 21A(a)(12)(F) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(a)(12)(F)), as redesignated, is amended by adding at the end the following: "Within 180 days from the date of enactment of the Resolution Trust Corporation Reform Act of 1991, the Corporation shall conduct a review of its seller financing procedures and endeavor to arrange appropriate financing to States, municipalities and other political subdivisions seeking to acquire real property assets of the institutions subject to the Corporation's jurisdiction.".

SEC. 209. UTILIZATION OF COMPETITIVE BIDDING METHODS.

(a) COMPETITIVE BIDDING.—Section 21A(a)(12) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(a)(12)), as redesignated, is amended by inserting at the end the following new subparagraphs:

"(H) UTILIZATION OF COMPETITIVE BIDDING METHODS.—In reviewing the Corporation's disposition of any real estate owned, any non-securitizable loan, or any other illiquid asset on a bulk sale basis or on an individual basis, the chief executive officer of the Corporation shall assure that all practicable competitive bidding, auction, and other marketing mechanisms are utilized to the maximum extent possible to maintain open competitive bidding.

"(I) ACTIVELY MARKETED ASSETS.—When a bona fide offer has been received and is under

consideration by the Corporation in connection with the disposition of any real estate owned, any non-securitizable loan, or any other illiquid asset, any such asset shall be treated by the Corporation as an asset that is being actively marketed and is ineligible for disposition on a bulk sale basis or as part of an asset portfolio sale."

(b) REPORT ON AGE OF THE CORPORATION'S PORTFOLIO.—The chief executive officer of the Corporation shall provide to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance, and Urban Affairs of the House of Representatives by March 31, 1992, a comprehensive review and summary of the amount of time that assets held by the Corporation from the date of the Corporation's creation through December 31, 1991, have been retained in the Corporation's portfolio.

SEC. 210. DISPOSITION OF SIGNIFICANT PROPERTY.

(a) IN GENERAL.—Section 21A(a)(12) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(a)(12)), as redesignated, is amended—

(1) in the second to last sentence of subparagraph (F), by striking all that follows "thereafter" and inserting "and shall designate the properties in the inventory identified by the Secretary of the Interior pursuant to subparagraph (I) as having natural, cultural, recreational, or scientific value of special significance."; and

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

"(J) IDENTIFICATION, DISPOSITION, AND PROTECTION OF PROPERTIES WITH NATURAL, CULTURAL, RECREATIONAL, OR SCIENTIFIC VALUE OF SPECIAL SIGNIFICANCE.—

"(i) PURPOSE.—The purpose of this subparagraph is to provide public and private entities with an adequate opportunity and incentive to acquire real estate with natural, cultural, recreational, or scientific value of special significance in order to preserve the character of such real estate.

"(ii) IDENTIFICATION OF PROPERTIES.—Not later than 60 days after the date on which the Corporation submits to the Secretary of the Interior any list of real property assets of institutions subject to the jurisdiction of the Corporation, the Secretary of the Interior shall—

"(I) review the real property assets of institutions contained on such list subject to the jurisdiction of the Corporation; and

"(II) identify properties having natural, cultural, recreational, or scientific value of special significance.

The Secretary of the Interior shall implement procedures by regulation, which shall include categorical exemptions for certain real property, in consultation with the Corporation, to identify properties and to ensure that the inventory is examined in a cost-effective manner.

"(iii) NATURAL, CULTURAL, RECREATIONAL, AND SCIENTIFIC VALUE DEFINED.—For purposes of identifying property having natural, cultural, recreational, or scientific value of special significance, the Secretary of the Interior shall define these terms. In defining these terms, the Secretary shall include—

"(I) property that receives protection under existing Federal laws and executive orders due to any unique natural, cultural, recreational, or scientific characteristics of such property; and

"(II) property that is described in clause (iv).

"(iv) PROPERTY HAVING NATURAL VALUE OF SPECIAL SIGNIFICANCE.—For purposes of this subparagraph, property having natural value of special significance includes property that directly contributes to—

"(I) the protection of endangered or threatened plants or animals;

"(II) the protection or restoration of wetlands, as described in the Emergency Wetlands Resources Act of 1986 and other wetlands identified under the authority of the North American Wetlands Conservation Act of 1989; or

"(III) the protection of land that is contiguous to or an inholding in a federally owned or State-owned conservation area or an area legally designated for acquisition for conservation purposes by a Federal or State agency.

"(v) ESTABLISHMENT OF INFORMATION CLEARINGHOUSE.—

"(I) After soliciting comments on such selection from public agencies and nonprofit organizations, including comments on whether the clearinghouse should be required to maintain a mailing list of interested agencies and organizations to be notified, the Corporation shall select a clearinghouse to be responsible for disseminating information relating to properties with natural, cultural, recreational, or scientific value of special significance. The clearinghouse should be organized to disseminate information according to the geographic location of the property rather than the geographic location of the financial institution which had controlled the property.

"(II) After the Corporation has selected a clearinghouse, the Secretary of the Interior shall provide the clearinghouse with a list of real estate that is available for sale and that has been identified as having natural, cultural, recreational, or scientific value of special significance.

"(vi) INVENTORY PUBLICATION; NOTIFICATION REQUIREMENTS.—

"(I) UPDATING OF RECORDS.—The Corporation shall update its inventory records to reflect the identification of properties by the Secretary of the Interior in accordance with clause (ii) not more than 30 days after the Corporation is notified of the identification.

"(II) INVENTORY PUBLICATION.—The publication by the Real Estate Asset Division of the Corporation of a revised list of the Corporation's inventory of real property assets, pursuant to subparagraph (F), shall include a designation of all properties identified by the Secretary of the Interior as having special significance under clause (ii).

"(vii) PROPERTY MAINTENANCE AND MANAGEMENT.—The Corporation shall maintain any property identified by the Secretary of the Interior as having special significance under clause (ii) in a manner consistent with the preservation of the property's special significance. Nothing contained in this subparagraph shall be construed to require the Corporation to restore, rehabilitate, or reclaim any such property, or to undertake any similar activities. The Corporation may employ, on a reimbursable basis, the services of any qualified individual to provide technical assistance and to maintain and manage the property during the period that the property is subject to the jurisdiction or control of the Corporation.

"(viii) TRANSFER OF INVENTORY LANDS.—Notwithstanding any other provision of this Act, the Corporation may in its sole discretion transfer property identified by the Secretary under clause (ii), or interests therein, at 50 percent of market value, as determined in accordance with the Corporation's established methods of appraisal or valuation, to any public agency or nonprofit organization if the agency or organization agrees to protect and maintain the special nature of the property by deed or other recorded instrument which is binding upon successors in interest to the property. If any such property sold ceases to be used by the public agency or nonprofit organization in the manner agreed to under this clause, all rights, title, and interest in and to the covered property shall revert to the United States.

"(ix) TRANSFER TO FEDERAL OR STATE AGENCIES.—Notwithstanding any other provision of this Act, at the request of the Secretary of the Interior, the Corporation shall transfer real property, or interests therein, without reimbursement, to any Federal or State agency for conservation purposes if the transfer of such property would directly contribute to—

"(I) the protection of endangered or threatened plants or animals;

"(II) the protection or restoration of wetlands as described in the Emergency Wetlands Resources Act of 1986 and other wetlands identified under the authority of the North American Wetlands Conservation Act of 1989; or

"(III) the protection of land that is contiguous to or an inholding in a federally owned or State-owned conservation area or an area legally designated for acquisition by a Federal or State agency.

Any such request by the Secretary of the Interior shall be made within 120 days from the date on which the Corporation submits to the Secretary of the Interior any list of real property assets of institutions subject to the jurisdiction of the Corporation.

"(x) TRANSFER OF PROPERTY TO PUBLIC AGENCIES OR NONPROFIT ORGANIZATIONS.—

"(I) RIGHT OF FIRST OFFER.—For a 45-day period beginning on the date that the clearinghouse receives the list of real estate from the Secretary of the Interior pursuant to clause (v), the Corporation shall not offer to sell property on the list to any entity other than a public agency or nonprofit organization described in clause (viii).

"(II) NOTICE OF INTEREST.—If a public agency or nonprofit organization submits a timely notice of interest in the property, the Corporation may not sell or otherwise transfer the property during the 90-day period beginning upon the expiration of the initial 45-day period, except to such agency or nonprofit organization under clause (viii).

"(III) NO NOTICE OF INTEREST.—If the Corporation does not receive a timely notice of interest in the property from a public agency or nonprofit organization, the Corporation may sell or otherwise transfer the property to any purchaser or transferee.

"(xi) UNDEVELOPED LAND.—Pending the determination by the Secretary of the Interior as to whether property has natural, cultural, recreational, or scientific value of special significance under clause (ii), the Corporation shall not offer to sell any parcel of undeveloped land larger than 5 acres except to a public agency or nonprofit organization that agrees to comply with the condition contained in clause (viii) or to a Federal or State agency under clause (ix). If the Secretary of the Interior fails to make a determination under clause (ii) with respect to any such parcel of land larger than 5 acres within 120 days from the date on which the Corporation has submitted a list of property containing such parcel of undeveloped land larger than 5 acres, the Corporation shall have the right to sell or otherwise transfer any such parcel. Nothing contained in this section shall be construed to prohibit the Corporation from selling or otherwise transferring any property other than undeveloped land larger than 5 acres pending a deter-

mination of the Secretary of the Interior under clause (ii).

"(xii) LIMITATION OF PRIVATE RIGHT OF ACTION.—The provisions of this subparagraph, or any failure by the Corporation to comply with the provisions, may not be used by any person to attach or defeat title to property after it is conveyed by the Corporation. The preceding sentence shall not apply in the case of a failure by any successor in interest to property conveyed or transferred by the Corporation under this subparagraph, to comply with clause (viii).

"(xiii) ADMINISTRATIVE PROVISIONS.—

"(I) The Corporation shall not reimburse or otherwise compensate the Secretary of the Interior for the costs and expenses incurred by the Secretary in carrying out his responsibilities under this subparagraph, except as provided in clause (vii).

"(II) The requirements imposed upon the Corporation by this subparagraph shall become effective upon the date on which final regulations adopted by the Secretary of the Interior pursuant to clause (ii)(II) take effect, or 90 days after the date of enactment of the Resolution Trust Corporation Reform Act of 1991, whichever is later. The Secretary shall issue regulations pursuant to clause (ii)(II) not later than 120 days after the date of enactment of this Act.".

(b) AMENDMENTS TO THE COASTAL BARRIER IMPROVEMENT ACT.—Section 10 of the Coastal Barrier Improvement Act of 1990 (12 U.S.C. 1441a-3) is amended—

(1) in the section heading, by striking "RTC AND";

(2) in subsections (a)(1) and (b)(1), by striking "Resolution Trust Corporation and the";

(3) in subsection (a)(1), by striking "each submit" and inserting "submit";

(4) in subsection (a)(2), by striking "each corporation concerned" and inserting "the Federal Deposit Insurance Corporation";

(5) in subsections (a)(1), (b)(1), (b)(2), (b)(3), and (b)(4), by striking "the corporation concerned" each time it appears and by substituting "the Federal Deposit Insurance Corporation";

(6) in subsection (b)(3), by striking "a corporation concerned" and by substituting "the Federal Deposit Insurance Corporation";

(7) in subsection (c), by striking paragraph (1) and by redesignating paragraphs (2), (3), and (4), as paragraphs (1), (2), and (3), respectively; and

(8) by striking subsection (c)(1)(A), as redesignated, and inserting the following:

"(A) to which the Federal Deposit Insurance Corporation has acquired title in its corporate capacity or which was acquired by the former Federal Savings and Loan Insurance Corporation in its corporate capacity; and".

SEC. 211. OFFICE OF DISPUTE RESOLUTION.

Section 21A(a)(12) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(a)(12)), as redesignated, is amended by adding at the end the following new subparagraph:

"(K) OFFICE OF DISPUTE RESOLUTION.—The Corporation shall establish an Office of Dispute Resolution, which shall have only the following duties:

"(i) To act as an impartial mediator to resolve disputes that may arise between asset management and disposition contractors and owners of property subject to loans formerly held by the Corporation.

"(ii) To work with the parties described in clause (i) for the purpose of settling disputes.".

SEC. 212. INTEREST PAID BY INSTITUTIONS IN CONSERVATORSHIP.

Section 21A(a)(4) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(a)(4)), as redesignated, is amended—

(1) by striking "Except as provided" and inserting the following:

"(A) IN GENERAL.—Except as provided"; and

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

"(B) RESTRICTION ON INTEREST RATE PAID.—Any insured depository institution for which the Corporation is the conservator may not pay a rate of interest on such funds which, at the time that such funds are accepted, significantly exceeds the rate paid on deposits of similar maturity in such institution's normal market area for deposits accepted in the institution's normal market area.".

SEC. 213. MANAGEMENT AND DISPOSITION OF PROPERTY BY LOCAL OFFICE WHICH IS CLOSEST TO THE PROPERTY.

Section 21A(a)(12) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(a)(12)), as redesignated, is amended by adding at the end the following new subparagraph:

"(L) REAL ESTATE MANAGEMENT AND DISPOSITION.—The Corporation shall establish a procedure under which—

"(i) real estate assets of any institution described in paragraph (3)(A) shall be managed and disposed of by the Corporation through the office of the Corporation which is closest to the location of any such real estate asset; and

"(ii) the management and disposition of assets pursuant to clause (i) shall be properly accounted for to the office of the Corporation which is responsible for administering the receivership of the institution referred to in such clause, consistent with the fiduciary responsibility of the Corporation to the creditors of the institution.".

SUBTITLE C—MISCELLANEOUS

SEC. 301. SUSPENSION OF FUNDING UPON THE FAILURE TO PROVIDE AN AUDITED FINANCIAL STATEMENT.

(a) FINANCIAL STATEMENT FOR FISCAL YEAR 1990.—If no financial statement of the Corporation for fiscal year 1990 which has been independently audited by a certified public accountant has been submitted to the Congress by the end of fiscal year 1991, no amount provided to the Corporation under section 21A(i) of the Federal Home Loan Bank Act shall be available for obligation until such audited financial statement has been submitted to the Congress.

(b) FINANCIAL STATEMENT FOR FISCAL YEAR 1991.—If no financial statement of the Corporation for fiscal year 1991 which has been independently audited by a certified public accountant has been submitted to the Congress by the end of fiscal year 1992, no amount provided to the Corporation under section 21A(i) of the Federal Home Loan Bank Act shall be available for obligation until such audited financial statement has been submitted to the Congress.

(c) INDEPENDENT AUDIT PROVISION.—An audit of a financial statement of the Corporation which has been conducted by the Comptroller General of the United States, using the services of certified public accountants, shall be treated as an independent audit for purposes of subsections (a) and (b).

SEC. 302. UNINSURED DEPOSITORS NOT COVERED.

Section 21A(a) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(a)), as redesignated, is amended by adding to the end the following new paragraph:

"(15) DEPOSIT INSURANCE FUNDS AVAILABLE FOR INTENDED PURPOSE ONLY.—

"(A) IN GENERAL.—The Corporation may not take action, directly or indirectly, with respect to any institution described in paragraph (3)(A) that would have the effect of increasing losses to the Corporation by protecting—

"(i) depositors for more than the insured portion of deposits (determined without regard to whether such institution is liquidated); or

"(ii) creditors other than depositors.

"(B) PURCHASE AND ASSUMPTION TRANSACTIONS.—No provision of this paragraph shall be construed as prohibiting the Corporation from allowing any person who acquires any assets or assumes any liabilities of any institution described in paragraph (3)(A) for which the Corporation has been appointed conservator or receiver to acquire uninsured deposit liabilities of such institution so long as the Corporation does not incur any loss with respect to such deposit liabilities in an amount greater than the loss which would have been incurred with respect to such liabilities if the institution had been liquidated.".

SEC. 303. DISCLOSURE OF CERTAIN RESOLUTION TRUST CORPORATION SALARIES.

Section 21A(j)(5)(B)(iii) of the Federal Home Loan Bank Act (1441a(j)(5)(B)(iii)), as redesignated, is amended by adding before the period the following: ", and the name of each person acting on behalf of the Corporation and the Federal Deposit Insurance Corporation paid at a rate in excess of the rate for level V of the Executive Schedule during such period, and the amount of compensation paid such employees during the reporting period".

SEC. 304. WHISTLEBLOWER PROTECTION.

Section 21A of the Federal Home Loan Bank Act (12 U.S.C. 1441a) is amended by adding at the end the following new subsection:

"(q) RTC AND RTC CONTRACTOR EMPLOYEE PROTECTION REMEDY.—

"(1) PROHIBITION AGAINST DISCRIMINATION.—The Corporation and any person who is performing, directly or indirectly, any function or service on behalf of the Corporation may not discharge or otherwise discriminate against any employee (including any employee of the Federal Deposit Insurance Corporation being utilized by the Corporation) with respect to compensation, terms, conditions, or privileges of employment because the employee (or any person acting pursuant to the request of the employee) provided information to the Corporation, the Attorney General, or any appropriate Federal banking agency (as defined in section 3(q) of the Federal Deposit Insurance Act) regarding any possible violation of any law or regulation by the Corporation or such person or any director, officer, or employee of the Corporation or the person.

"(2) ENFORCEMENT.—Any employee or former employee who believes that such employee has been discharged or discriminated against in violation of paragraph (1) may file a civil action in the appropriate United States district court before the end of the 2-year period beginning on the date of such discharge or discrimination.

"(3) REMEDIES.—If the district court determines that a violation has occurred, the court may order the Corporation or the person which committed the violation to—

"(A) reinstate the employee to the employee's former position;

"(B) pay compensatory damages; or

"(C) take other appropriate actions to remedy any past discrimination.

"(4) LIMITATION.—The protections of this section shall not apply to any employee who—

"(A) deliberately causes or participates in the alleged violation of law or regulation; or

"(B) knowingly or recklessly provides substantially false information to the Corporation, the Attorney General, or any appropriate Federal banking agency.".

SEC. 305. GAO STUDY OF PRIVATIZATION OF RESOLUTION TRUST CORPORATION FUNCTIONS.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study of—

(1) the feasibility of transferring all or a substantial portion of the functions being performed by the Corporation as of the date of enactment of this Act to the private sector;

(2) the most efficient methods for accomplishing the transfer; and

(3) the potential benefits of the transfer to the Corporation and the United Sates Government.

(b) REPORT.—The Comptroller General shall submit a report to the Congress before the end of the 6-month period beginning on the date of the enactment of this Act containing—

(1) the findings and conclusions of the Comptroller General in connection with the study conducted under subsection (a); and

(2) such recommendations for legislative or administrative action as the Comptroller General may determine to be appropriate.

ADAMS AMENDMENT NO. 1353

Mr. ADAMS proposed an amendment to the bill S. 543, supra, as follows:

On page 395, after line 25, insert the following new section:

SEC. 308. CONSIDERATION OF DISPLACED WORK FORCE.

(a) FEDERAL DEPOSIT INSURANCE ACT AMENDMENT.—Section 18(c) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)) is amended in the second sentence by inserting ", the impact on employees of the existing and proposed institutions, including whether the institutions plan to provide reasonable notice to employees well in advance of any layoffs, whether the institutions plan to make any effort to ensure that laid-off employees receive priority in filling future vacancies, whether the institutions will provide specific severance benefits for laid-off employees, and whether and for how long benefits such as health and life insurance and pensions will be continued for laid-off employees," before "and the convenience and needs of the community".

(b) BANK HOLDING COMPANY ACT AMENDMENT.—Section 3(c) of the Bank Holding Company Act of 1956 is amended in the second sentence by inserting "the impact on employees of the existing and proposed institutions, including whether they plan to provide reasonable notice to employees well in advance of any layoffs, whether the institutions plan to make any effort to ensure that laid-off employees receive priority in filling future vacancies, whether the institutions will provide specific severance benefits for laid-off employees, and whether and for how long benefits such as health and life insurance and pensions will be continued for laid-off employees," before "and the convenience and needs of the community".

LOTT AMENDMENT NO. 1354

(Ordered to lie on the table.)

Mr. LOTT submitted an amendment intended to be proposed by him to the bill S. 543, supra, as follows:

At page 133, after line 5, add the following:

"(4) APPLICABILITY OF ACCOUNTING PRINCIPALS.—This subsection shall apply only to reports and statements, including Reports of Condition and Income, filed with a Federal banking agency in connection with the supervision of an insured depository institution. Accounting principals for insured depository institutions prescribed by a Federal banking agency shall not apply to general purpose financial statements that purport to have been prepared in accordance with generally accepted financial statements.

McCAIN AMENDMENT NO. 1355

Mr. McCAIN proposed an amendment to the bill S. 543, supra, as follows:

On page 207, line 8, before the period, insert the following: "for deposits not described in paragraph (3) and $100,000 for deposits described in paragraph (3)".

MURKOWSKI AMENDMENT NO. 1356

Mr. GARN (for Mr. MURKOWSKI) proposed an amendment to the bill S. 543, supra, as follows:

On page 416, line 1, strike all through page 487, line 13.

ADDITIONAL STATEMENTS

TRIBUTE TO COL. HAROLD W. NUTT

• Mr. LAUTENBERG. Mr. President, I rise today to honor Col. Harold W. Nutt who is celebrating his retirement on the first of December.

Colonel Nutt is a dedicated individual who has devoted many years of public service to the military and to the New Jersey Department of Defense. He has served as a military aid on the staffs of five successive Governors of New Jersey spanning 35 years.

As a special assistant to the adjutant general from 1983 to the present, he served as surrogate for the adjutant general, as a liaison to the military, Government, business, and the community at large. Colonel Nutt performed protocol duties, chaired the Governor's special events planning committee and served as the executive director of the New Jersey Committee for Employer Support of the National Guard and Reserve. In addition, he served as chair and director of the New Jersey National Guard Militia Museum Board of Governors.

Colonel Nutt also served from 1983 to 1988 at the New Jersey Department of Defense in Trenton, NJ. At the new Jersey DOD, he served as the deputy commander, director and inspector general. During the previous 5 years, he was employed by the New Jersey Military Academy and National Guard Training Center in Sea Girt where he held the office of commandant/station commander, Chief Logistics Bureau, and Assistant Chief of the Logistics Bureau. During the years 1958 to 1969 Colonel Nutt served as tactical officer, executive officer, operations officer, director, and deputy director of the New Jersey Military Academy in Sea Girt.

Beyond Colonel Nutt's extensive professional experience in the military, he has also devoted much of his personal time to the community at large. He has given many selfless hours to community service and worthwhile philanthropic organizations, often in leadership positions. His various affiliations range from serving as a member of the National Trust for Historic Foundation to being the director for Project Freedom, the Nottingham Recreation Center for the Physically Limited. Colonel Nutt has also volunteered much of his valuable time to Lawrence Township. As chairman of the Lawrence Health Fair, member of Operation Historical Exchange Program and member of Lawrence Historical Society, he has a lasting contribution to the community.

Mr. President, Colonel Nutt has given over three decades of service to the military and has enthusiastically committed himself to community service. I applaud Colonel Harold Nutt for his tireless efforts to better the community and for his valued career as a military public servant.

I join Colonel Nutt's friends and colleagues as they celebrate his retirement. I wish him and his family my warmest wishes for continued health and happiness in the future.•

SENATE QUARTERLY MAIL COSTS

• Mr. FORD. Mr. President, in accordance with section 318 of Public Law 101-520, I am submitting the summary tabulations of Senate mass mail costs for the quarter ending September 30, 1991, to be printed in the RECORD, along with the quarterly statement from the U.S. Postal Service setting forth the Senate's total postage costs for the quarter.

The information continues to reflect the frugality of the Senate in its spending on official mail. The Senate's expenditures for fiscal year 1991 totaled $11,744,034, which is $18,105,966 less than the $29,850,000 appropriated.

The tabulations follow:

SENATE QUARTERLY MASS MAIL VOLUMES AND COSTS FOR THE QUARTER ENDING SEPT. 30, 1991

Senators	Total pieces	Pieces per capita	Total cost	Cost per capita
Adams	240,480	0.04941	$34,362.34	$0.00706
Akaka				
Baucus	24,200	.03029	4,350.42	.00544
Bentsen	1,373,500	.08086	243,933.37	.01436
Biden	299,450	.44951	46,229.68	.06940
Bingaman	65,750	.04340	11,647.46	.00769
Bond	101,869	.01991	69,966.44	.01367
Boren				
Bradley				
Breaux	166,891	.03955	26,204.68	.00621
Brown	54,200	01645	7,445.79	.00226
Bryan	265,919	.22126	58,944.46	.04905
Bumpers				
Burdick	96,000	.15028	16,744.44	.02621

SENATE QUARTERLY MASS MAIL VOLUMES AND COSTS FOR THE QUARTER ENDING SEPT. 30, 1991—Continued

Senators	Total pieces	Pieces per capita	Total cost	Cost per capita
Burns	68,500	.08573	12,021.84	.01504
Byrd				
Chafee				
Coats	122,126	.02203	24,240.05	.00437
Cochran				
Cohen	73,329	.05972	10,911.53	.00889
Conrad	267,500	.41875	41,948.20	.06567
Craig	81,150	.08061	13,345.91	.01326
Cranston	2,542,450	.08543	434,381.35	.01460
D'Amato	3,282,623	.18246	541,314.15	.03009
Danforth	44,600	.00872	6,123.61	.00120
Daschle	46,040	.06615	7,743.81	.01084
DeConcini	1,647,000	.44936	258,502.63	.07053
Dixon	1,528,200	.13369	238,205.05	.02084
Dodd	472,350	.14370	77,998.92	.02373
Dole				
Domenici				
Durenberger	147,900	.03380	29,713.74	.00679
Exon				
Ford				
Fowler	185,600	.02865	26,425.88	.00408
Garn				
Glenn				
Gore				
Gorton	139,735	.02871	24,057.98	.00494
Graham	427,400	.03303	71,775.31	.00555
Gramm	359,800	.02118	62,260.56	.00367
Grassley	534,980	.19266	110,182.71	.03968
Harkin	2,750			
Hatch	2,750	.00160	538.16	.00031
Hatfield				
Heflin	644,550	.15952	101,628.33	.02515
Helms				
Hollings				
Inouye				
Jeffords	86,600	.15388	11,674.37	.02074
Johnston	508,005	.12038	80,486.38	.01907
Kassebaum				
Kasten	580,240	.11862	94,692.80	.01936
Kennedy				
Kerrey	147,350	.09335	21,424.48	.01357
Kerry	13,765	.00229	12,032.88	.00200
Kohl				
Lautenberg	1,650,750	.21355	258,606.14	.03345
Leahy	33,350	.05926	6,376.60	.01133
Levin	2,457	.00026	551.38	.00006
Lieberman	134,827	.04102	28,361.48	.00863
Lott				
Lugar	157,550	.02842	25,983.54	.00469
Mack	86,832	.00671	18,013.67	.00139
McCain	114,452	.03123	20,715.07	.00565
McConnell				
Metzenbaum				
Mikulski				
Mitchell				
Moynihan	20,350	.00113	3,936.33	.00022
Murkowski	222,100	.40379	39,481.00	.07178
Nickles	66,632	.02118	14,463.24	.00460
Nunn				
Packwood	316,991	.11153	56,090.32	.01973
Pell				
Pressler	207,852	.29864	36,906.75	.05303
Pryor	7,750	.00330	1,060.33	.00045
Reid	108,385	.09018	19,106.77	.01590
Riegle	102,280	.01100	17,318.13	.00186
Robb				
Rockefeller	4,992	.00278	4,487.80	.00250
Roth	68,408	.10269	12,131.23	.01821
Rudman				
Sanford	10,400	.00157	2,073.21	.00031
Sarbanes	89,100	.01863	13,724.94	.00287
Sasser				
Seymour	481,000	.1616	77,863.41	.00262
Shelby				
Simon	1,105,400	.09671	172,469.73	.01509
Simpson	15,300	.03373	2,176.76	.00480
Smith				
Specter	1,047,950	.08820	149,926.83	.01262
Stevens				
Symms	277,620	.27576	51,352.55	.05101
Thurmond				
Wallop	6,100	.01345	1,429.61	.00315
Warner				
Wellstone	802,300	.18338	126,086.58	.02882
Wirth	355,672	.10796	51,481.68	.01563
Wofford				

Other offices	Pieces	Cost
The Vice President		
The President pro-tempore		
The Majority Leader		
The Minority Leader		
The Assistant Majority Leader		
The Assistant Minority Leader		
Secretary of Majority Conference		
Secretary of Minority Conference		
Agriculture Committee		
Appropriations Committee		
Armed Services Committee		
Banking Committee		
Budget Committee		
Commerce Committee		
Energy Committee		
Environment Committee		
Finance Committee		
Foreign Relations Committee		
Governmental Affairs Committee		
Judiciary Committee		
Labor Committee		
Rules Committee		
Small Business Committee		
Veterans Affairs Committee		
Ethics Committee		
Indian Affairs Committee	2,050	$1,077.64
Intelligence Committee		
Aging Committee		
Joint Economic Committee		
Joint Committee on Printing		
Democratic Policy Committee		
Democratic Conference		
Republican Policy Committee		
Republican Conference		
Legislative Counsel		
Legal Counsel		
Secretary of the Senate		
Sergeant at Arms		
Narcotics Caucus		

U.S. POSTAL SERVICE,
DEPARTMENT OF THE CONTROLLER,
Washington, DC, November 8, 1991.

Hon. WENDELL H. FORD,
Chairman, Committee on Rules and Administration, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Detailed data on franked mail usage by the U.S. Senate for the fourth quarter, Fiscal Year 1991, is enclosed. Total postage and fees for the quarter is $5,065,667.

A summary of Senate franked mail usage based upon actual data for the four quarters of Fiscal Year 1991 is as follows:

Volume	59,780,774
Revenue per piece	$0.1965
Revenue	$11,744,034.00
Provisional payments (Oct. 1990 to Jan. 1991)	$10,000,000.00
Deficiency in provisional payments	$1,744,034.00

Also enclosed is a copy of the comparable report for the U.S. House of Representatives.

If you or your staff have any questions, please call Tom Galgano of my staff on 202-268-3255.

Sincerely,

JAMES S. STANFORD,
General Manager, Official and International Mail Accounting Division, Office of Accounting, Washington, DC.

SENATE FRANKED MAIL, POSTAL QUARTER IV, FISCAL YEAR 1991

Subcategories	Pieces	Rate	Amount
1. Letters: 1st Class (total)	2,585,923	$0.2900	$749,918
2. Flats: 1st class	128,782	1.1142	143,489
3. Parcels:			
Priority-up to 11 oz			
Priority-over 11 oz	20,910	4.6778	97,813
4th class—regular	35,024	4.1202	144,306
Total	55,934	4.3287	242,119
4. Orange bag pouches:			
1st class	198,869	.3866	76,883
Priority-up to 11 oz	4,499	2.9000	13,047
Priority—over 11 oz	11,645	4.8290	56,234
Total	215,013	.6798	146,164
5. Agriculture bulletins:			
1st class			
Priority-up to 11 oz			
Priority-over 11 oz	5	20.3500	102
3d Class			
4th class special (bk)	20	10.3556	207
4th class regular	79	7.9620	629
Total	104	9.0192	938
6.Yearbooks: 4th class special (BK) (total)	7	1.4286	10
7. Other (odd size parcels):			
Priority-up to 11 oz			
Priority-over 11 oz	669	33.3023	22,279
4th class special (Bk)			
4th class regular	2,888	12.6146	36,431
Total	3,557	16.5055	58,710

SENATE FRANKED MAIL, POSTAL QUARTER IV, FISCAL YEAR 1991—Continued

Subcategories	Pieces	Rate	Amount
Total outside DC	421,170	.4690	197,521
Permit imprint mailings:			
3d Class bulk rate	23,022,131	.1177	2,708,879
Parcel post—PI	45	7.7111	347
1st class single piece—PI			
Address corrections (3547's)	750	.3507	263
Address corrections 3d cl)	10,563	.2900	3,063
Mailing list corrections (10 names or less)			
Mailing list corrections (more than 10 names)			
Mailgrams:			
IPA—International priority airmail			
Mailing fees (registry, certified, etc.)			
Postage due/short paid mail			616
Permit fees			75
Miscellaneous charges/ADJ			
Express mail service			676,156
Subtotal	26,443,979	.1864	4,928,268
Adjustments (PFY to GFY 1991)	304,508	.4512	137,399
Grand total	26,748,487	.1894	5,065,667•

TRIBUTE TO JACK MULVENA AND DIANNE SAULNEY SMITH

• Mr. GRAHAM. Mr. President, I rise today to recognize my constituents, Jack Mulvena and Dianne Saulney Smith, who are retiring after years of service with the board of directors of the Department of Off-Street Parking in Miami, FL. In addition to all its official duties, the board of directors of the Department of Off-Street Parking in conjunction with the Dade County Public School System and the Overtown Advisory Board, Inc., are responsible for the development of the Student Cashiers of Overtown Program. [SCOOP]. The SCOOP has made it possible for full-time high school students of Overtown to secure a respectable job based on academic and work performance while being given the opportunity to compete for college scholarships. In addition, the SCOOP has enabled students to finish their studies, receive their degrees and find rewarding jobs. Both Jack and Dianne, together with the other members of the board of the Miami Parking System, the Dade County Public School System, and the Overtown Advisory Board, should be commended for their ingenuity in combining their work with the educational needs of today's youth. Not only do these individuals bring well deserved recognition to their special endeavors, they also significantly enhance our community through their exceptional talents and service.

On this very special occasion, I wish Jack success in his new pursuits and would like to extend my congratulations on behalf of all of the students he has helped through the SCOOP. His commitment and leadership has culminated into opportunities for prosperity in Dade County. In all facets of his personal and professional life, Jack has continually shown dedication to his community and its members. He is a dedicated citizen fully deserving of the many commendations bestowed upon him.

Dianne is to be recognized also for her tireless hours of dedication while serving as chairperson of the board of the Department of Off-Street Parking as well as her outstanding achievements as a practicing attorney. I know that she has brought with her the same leadership, commitment, and high quality of work to her new position as my special council in our Washington office. Dianne's proficiency and talent will surely be missed by those fortunate enough to have worked with her. I consider myself quite lucky to inherit such wisdom and skills.

Please join me in thanking the members of the board of directors and the employees of the Department of Off-Street Parking in Miami, the Dade County Public School System, and the Overtown Advisory Board, Inc., and specially Jack Mulvena and Dianne Saulney Smith for their humanitarian contribution to the Dade County community and to the State of Florida and in wishing to Jack and Dianne every success in their future endeavors.●

HONORING JOHN R. DICKSON

● Mr. KASTEN. Mr. President, I rise today to recognize the tremendous achievement of one of my most distinguished constituents—John R. Dickson of Roundy's, Inc.

John Dickson is a true embodiment of the American dream. He rose from management trainee to the presidency of one of Wisconsin's most important corporations. He did it the old fashioned way—with hard work, perseverance, and dedication.

John's commitment to the pursuit of excellence doesn't apply just at the office. John is a concerned citizen who misses no opportunity to promote the well-being of the community through environmental and political activisim.

When you want to get a job done, give it to a busy man. This is the lesson of John Dickson's life and career—and I ask my Senate colleagues to join me in saluting him.●

UNEMPLOYMENT BENEFITS COMPROMISE

● Mr. LAUTENBERG. Mr. President, I rise to applaud the President for signing the extended unemployment benefits compromise. Finally, the administration decided to allow these much-needed benefits for families across the United States. After being distracted by foreign affairs for most of his tenure in office, the President has decided now that it is time to act on behalf of American workers. I am pleased with this development but it is regrettable that it look so long for the administration to recognize that there are many long-term unemployed in the United States who need help immediately.

This bill will provide 20 weeks of additional benefits to New Jerseyans who have exhausted their regular unemployment benefits. This bill provides much-needed relief to approximately 15,000 New Jersey residents who are exhausting their unemployment benefits each month. The bill also contains a reachback provision that will cover New Jerseyans who have exhausted their benefits since March 1, 1991.

Mr. President, the current recession has forced millions of Americans out of work in what the administration promised would be a brief economic downturn. People in this country are suffering. Nearly 9 million people are out of work in our country. This is an increase of more than 2 million in the past 2 years. In New Jersey, 269,000 people are unemployed. To those who have been laid off the longest, extended unemployment benefits will mean the difference between meeting the house payments and losing the house, between putting food on the table and going hungry.

It is about time the Federal Government took action to help needy families. Without this emergency unemployment compensation bill, millions more Americans will exhaust their unemployment benefits and be forced into poverty.

The administration says we are in a recovery. But every day I hear stories of companies laying off thousands of people. People continue to lose their jobs at an alarming rate. Those people who have jobs are afraid of losing them.

This bill will also provide benefits to unemployed service men and women who have recently returned from the Persian Gulf. This bill allows ex-service members to be treated the same way other Americans are under the unemployment insurance system. The bill would change the waiting period for benefits to 1 week, and benefits payable for up to 26 weeks instead of the 4-week waiting period and 13-week benefit limits in present law. The bill will also make railroad workers eligible to receive extended benefits under their own unemployment insurance system.

Mr. President, extension of unemployment benefits is long overdue. I am pleased that these benefits are finally going out to those families who need them and that some benefits will be paid out before Thanksgiving.●

FAIR UNEMPLOYMENT COMPENSATION FOR THE MILITARY

● Mr. MCCAIN. Mr. President, the debate over the emergency unemployment compensation action of 1991 was a long one, and involved a great deal of controversy and compromise. There is, however, one aspect of this bill that is not controversial and that has not received the recognition it deserves: The fact that it provides a fair unemployment compensation for our military.

At present, our men and women in uniform get only half the unemployment compensation of men and women in civilian life. They got a maximum of 13 weeks of compensation versus 26 weeks of compensation for civilians.

The only reason for this glaring inequity, which has hurt many in the military and their families, is that an effort was made years ago to maintain military personnel ceilings by limiting unemployment benefits.

Today, however, we face a future where more than 500,000 Active and Reserve positions must be cut from the military. Over 300,000 will have to be Active positions.

It is my sincere hope that the new voluntary separation packages we have developed in this year's authorization bill, reducing accessions, and attrition will minimize the number of involuntary separations.

Nevertheless, many highly qualified men and women may still face involuntary separation for no fault of their own. Most will have volunteered to join the military thinking they were volunteering for a lasting career. Some may have served this Nation in Desert Storm. They deserve the same unemployment compensation as their civilian counterparts.

Two years ago, I advanced a transition plan before this body that provided this equity in unemployment compensation, along with other benefits designed to ensure that our men and women in uniform would receive compensation for their years in service and the aid necessary to rejoin the civil economy without damage to their lives and that of their families.

With the strong and creative help of Senator JOHN GLENN, the National Military Coalition, and my colleagues on the Senate Armed Services Committee, virtually every provision of this plan was turned into law. In fact, it is the foundation of one of the voluntary separation options that will be offered in the fiscal year 1992 Defense authorization bill.

The equity in unemployment compensation provision of this transition plan, however, could not be included in the Defense Authorization Act for jurisdictional reasons. As a result, my colleagues in the Finance Committee agreed that they would provide such equity once a suitable legislative vehicle became available.

That vehicle has just been passed by the Senate. It ensures that both military and civilians will get the same period of unemployment compensation provided by each State. It completes the transition plan, and it provides our military with the protection and benefits they deserve.

Accordingly, I would like to thank Senator BENTSEN, Senator PACKWOOD, Senator MITCHELL, Senator DOLE, those of my other colleagues who serve in the Finance Committee, their counterparts in the House—which has similar language, and all my colleagues

who voted for this bill. We may still have differences over some aspects of unemployment compensation, but this is one area where I believe the Nation will unite in saying well done.•

PHOENIX AND TUCSON ARE AMONG THE MOST FISCALLY SOUND CITIES

• Mr. DECONCINI. Mr. President, in this era of economic bad news, I am happy to be the purveyor of some good news. I would like to congratulate and recognize the city governments of Phoenix and Tucson, AZ. A new survey by City and State magazine reports that Phoenix and San Diego are the most fiscally sound big cities in the United States, followed by Tucson. The survey studied the 50 cities with the largest budgets to compare how well each runs its finances. The information was gathered from questionnaires completed by city finance officials and supplemented by city financial documents, interviews with government officials, and credit reports from bond-rating agencies.

The lion's share of the credit for this honor must go to Paul Johnson, mayor of Phoenix and the Phoenix City Council and Tom Volgy, mayor of Tucson and the Tucson City Council. In a year when many cities are struggling for survival, Phoenix and Tucson are successfully coping. They are balancing their numbers through spending cuts and fund transfers.

In the article Paul Johnson said that he went through government last year with a buzz saw, cutting government 5 percent, or $22 million. Trimming budgets during tight fiscal times is no easy task. To retain the support and confidence of the public, elected officials must exercise real leadership. This is what Paul Johnson and Tom Volgy and their respective city councils have been able to do. I applaud their effort and their very impressive results.•

THE INAUGURATION OF CLOSED-CAPTIONED SENATE FLOOR PROCEEDINGS

• Mr. HARKIN. Mr. President, I am pleased that today marks the inauguration of closed-captioned broadcasting of the U.S. Senate floor proceedings. I want to compliment the majority leader and the minority leader for their efforts to bring this to fruition, two months before it was expected. This is indeed, Mr. President, a happy day for all Americans who are deaf or hard of hearing, because now they can read the words spoken by their elected Senators at the bottom of the television screen.

Closed captioning is going to permit our deaf citizens, millions of them across the country, to understand and to watch what this Senate does just like hearing people all over this country. I can tell you they are going to watch and they are going to read and they are going to have a better understanding of what we do here.

But it is not just deaf people. It is people who are hard of hearing. And beyond that, there are people, many people, as we know, in this country for whom English is not their first language, and they are starting, they are trying to learn English. They can now turn on and watch the Senate and the House in session and begin to understand what we are doing here, because they can read it.

So, I am just delighted that we have finally reached this point. I want to congratulate all of the Senators who have worked so hard, again especially to the distinguished minority leader who has been a great leader for so many years in being attentive to the needs of our citizens with disabilities in this Nation.

For too long, the deaf and hard of hearing communities have been excluded from the political process of their country. I am proud to be here today to witness that chapter of our history come to a close.

In 1988, the Commission on the Education of the Deaf issued a report which identified captioning of television as one of the most important technologies for deaf and hearing impaired individuals. The Commission also found that closed captioning is the more effective technology for speeding the attainment of literacy, and more importantly, in helping the deaf person participate in the wider world that is routinely accessible to those who hear. I subscribe to this view.

In addition, last year, we passed legislation that will provide that beginning in 1993, every television set sold in America with the screen size of 13 inches or over will have to have a little chip that will automatically decode every closed captioned program. Zenith Corp. has announced plans to place televisions with this chip on the market this fall, 2 years before it was required to do so by the law. So, we are moving ahead in America.

Equally as important as all of this, is the message that the Senate will send to the Nation. By closed captioning our televised floor proceedings, we send the message that we are committed to implementing the Americans with Disabilities Act in an effective and meaningful way. For too long, deaf and hard of hearing Americans have been excluded from the political process. I am very proud to be here today to witness that chapter of our history come to a close.•

IN HONOR OF CHIEF M. SGT. LESTER GENE HAMPT, USAF

• Mr. DIXON. Mr. President, I rise today to honor Chief M. Sgt. Lester Gene Hampt, U.S. Air Force, who is retiring effective February 1, 1992, with 33 years of active-duty service.

His retirement concludes a distinguished career as an outstanding noncommissioned officer. Recognized for his continued valuable contributions to the Air Force, the Extended High Year Tenure Board at the Military Personnel Center selected Chief Hampt as one of the elite chiefs to continue meritorious service past the 30-year milepost.

Chief Hampt's dedication and tireless efforts on behalf of our Nation's defenses cannot be overstated. His career has spanned the globe in assignments from Southeast Asia to Europe. He is the recipient of many military awards and decorations. His depth of knowledge has made lasting contributions to the U.S. Air Force Medical Service.

Chief Hampt was born in Reisterstown, MD, and now resides in my hometown of Belleville. In our town he is known for his civic activities as a member of the International Foster Care Organization, the Illinois Foster Parent Association, and the Belleville Area Foster Parents Association. He has worked with disadvantaged to very bright children who needed a home. His kindness and generosity is a civic resource that the citizens of Belleville are fortunate to have.

Today, we not only acknowledge the contributions that Chief Hampt has given the Air Force, but we also applaud his exemplary character. The people of the United States are indebted to Chief M Sgt. Lester Gene Hampt's service.

Mr. President, it is in honor and privilege to represent fine Illinoisans such as Chief Hampt. I wish him all the best in his well-deserved retirement.•

KENYA'S GOVERNMENT CONTINUES DOWN THE ROAD TO DICTATORSHIP

• Mr. DECONCINI. Mr. President, over the weekend the Government of Kenya launched another repressive assault on democratic dissent and civil liberties. Kenyan citizens who were attempting to peacefully gather to express support for political pluralism and dissatisfaction with the increasingly dictatorial regime of President Moi were teargassed, clubbed, and stampeded by security personnel. Though Kenyan police prevented foreign diplomats from observing the gathering, President Moi still had the audacity to blame "foreign missions" for organizing the rally and for masterminding and bankrolling opposition to his rule.

While leaders across Africa are heeding demands of citizens for greater political freedom, President Moi stubbornly refuses to acknowledge the legitimacy of any views except his own. He continues to repress all dissent. In fact, by obstinately stifling any peaceful expression of differing political

views, President Moi may be unwittingly bringing about the political instability which he most fears. His refusal to allow peaceful debate almost encourages the opposition to take ever more extreme actions to make political points which they would prefer to express peacefully. Kenya, once a model of political and economic progress, is becoming an anachronism in Africa and its ruler an increasingly isolated, intolerant, ineffective, and desperate dictator.

Mr. President, I had the honor of meeting with a number of individuals now detained by the Kenyan Government. The people of Kenya are fortunate to have at the forefront of their democracy movement such a talented and dedicated group of men and women. These courageous individuals, and their families, have withstood harassment, prison, mistreatment, and other degradations, yet they persevere for the future of their country. Today, after the rally and their arrests, their message is stronger than ever. Kenyans want to share in the resources of their country, and they yearn to participate in its political life.

Mr. President, I rise today to call on President Moi to release all those individuals detained in the past few days for peacefully expressing their respect for democracy, human rights, and political pluralism. Under such circumstances, I believe strongly that the United States cannot conduct business as usual with the Government of Kenya. We should act to cut off all but humanitarian aid, vote against IMF and World Bank loans, and if President Moi still refuses to act with reason, recall our Ambassador, as Germany has done.●

REMARKS OF DR. JAMES BILLINGTON

● Mr. STEVENS. Mr. President, I was privileged to be able to attend the Second Annual James Madison Counsel Dinner on October 7 of this year. It was held in the beautiful grand foyer of the Library of Congress' Thomas Jefferson Building. The keynote speaker was our own Librarian of Congress, James Billington. You all know that Jim Billington is one of the Nation's foremost experts on Russia and the Soviet Union, and it was the Soviet Union and its future that was the subject of Dr. Billington's talk.

As the many Russian experts in this country will attest, being in Moscow at the time of the August coup would not only be an experience of a lifetime, but an experience a Russian expert would give his eye teeth to have. By happenstance, our own Jim Billington was in Moscow during the coup attending an International Conference of Librarians. Through his own vast knowledge of the history and politics of Russia, and his firsthand experience of being in Moscow during the coup, Billington provided the dinner guests with an insightful talk entitled the "Rebirth of Russia."

Mr. President, Mr. Billington's comments deserve a wider dissemination than to those fortunate enough to attend the dinner. Therefore, I ask to insert the text of his speech at the end of my remarks.

The statement follows:

THE REBIRTH OF RUSSIA

(By James H. Billington, the Librarian of Congress)

The events in Moscow during the decisive 48 hours from early morning August 19 to early morning August 21 may be the most important single political happening of the second half of the 20th century. These events marked not just the death of the most destructive ideology and powerful empire of our time but also the birth of an altogether new mentality among the hitherto largely passive Russian people. Confronted with a sudden putsch that reimposed from the top down the old Leninist politics of fear, Russians suddenly and unexpectedly found a way to affirm a new politics of hope—defending on exposed barricades in a steady rain the location of their first elected government, Yeltsin's now famous White House, which replaced the historic Kremlin as the new center and symbol of Russian political legitimacy.

It was the final fever break of a totalitarianism that had continued to enslave inner feelings long after its outer controls had weakened. It was also the cresting of the democratic wave that had engulfed Eastern Europe in 1989, reached the Soviet Union's national minorities in 1990, and provided the rising Russian democratic movement of 1991 with the Lithuanian example of resisting armed reaction by forming a human wall around an elected parliament. Those who put their lives on the line with Yeltsin inside the White House have emerged with new authority and now represent probably the most promising cadre of democratic reformers Russia has ever had.

Those unforgettable 48 hours did not produce the traditional flame of revolution but rather the inner fire of psychological and even spiritual change. Modern revolutions imply violent upheaval, secular ideology, and an alternative program, whereas the events in Russia (as earlier in Eastern Europe) were nonviolent, filled with spiritual idealism, and thrown up from below without clear blueprints. As I saw it there during 2½ weeks in Moscow, Russians experienced a kind of inner catharsis radically unlike the periodic public catharses of their Communist past—involving purges, scapegoats, and external enemies. From the epicenter at the White House, the new psychology of hope spread out in a series of concentric circles—via loudspeakers to the miscellaneous volunteer defenders of the barricades immediately outside, via Xeroxes and broadsides to a broader, more porous circle of peripheral scouts and supporters throughout Moscow (where the only fatalities were recorded), and finally to even wider circles in provincial Russia and the outer world (which often relayed the news back via radio quickly than domestic Russian sources).

I do not want to romanticize the Moscow events, to overestimate the future prospects for the democratic movement, or to minimize the enormous economic and ethnic problems that continue to threaten it. But I think it may be useful to recapture with you tonight some of the special, defining quality of those 48 hours. They represent a new phenomenon that is hard to register on our analytical radar screens but perhaps prophetic of the future and may provide at present unrealized opportunities for the United States.

Before discussing these broader historical and policy aspects, I will offer some concrete illustrations from my own experience—first, of three different aspects or levels of this time of change (the political, the moral, and the spiritual) and, second, of seven special people who collectively illustrate both the vitality and the variety of the democratic movement.

Politically, the events of August added an aura of heroism to the legitimacy that the democratic forces had already gained at the ballot box. Yeltsin atop the tank was the icon; but the decisive turning point may have come on the uncertain first night when the still small and unfocused crowd first heard the electric announcement from the White House that a tank unit from the elite Tamansky division had broken the Junta's monopoly of armed force and gone over to the democratic side. What impressed me, listening to that loudspeaker with a group of Russian friends in the drizzle outside, was not just the realization that lives were now irreversibly on the line but the rather majestic way in which the announcement clarified the nature of the cause—telling the crowd that each of the tank crews would be augmented by one elected member of the Russian parliament—symbolizing both the democratic legitimacy of the opposition and its subordination of military to civil authority.

Those soldiers—and others who later swelled the ranks—triggered a second level of the transformation, which affected far more people than the political face-off itself: The activation of individual moral choice among the general population.

Nothing had been more debilitating about totalitarianism than its corruption of conscience and of moral choice by the politics of fear and an ideology of endlessly rationalizing evil means in the name of utopian ends. And nothing had been more dispiriting to the democratic reformers in the year-and-a-half leading up to the coup than Gorbachev's own avoidance of final choice between the old power structures and the new democratic wave. Suddenly, in the face of two irreconcilable power centers and an uncertain outcome, everyone had to make the kind of choices they had long been able to avoid—within institutions, within families, and within oneself—whether or not to speak up, whether or not to confront the dominantly procoup outlook at the higher echelons of almost every major Soviet institution in Moscow, whether or not to go to the White House, whether or not to go the second night when the Junta announced a military curfew and was in fact planning an attack.

One reason the Junta was not prepared to attack the White House the first day when neither the barricades nor the human wall were fully in place was because they were relying on the paralytic fear that a mere show of force had always induced, assuming that people would prefer authoritarian order to the uncertainties and responsibilities of freedom. Yet the contagion of individual moral choice infected the Junta itself. Some of the most important choices may have been made by Yazov, its top military leader, who decided never to give a clear order to shoot, and by high KGB officers who refused to exe-

cute the well-crafted plans for assaulting the White House on the second day.

Beyond discarding their corrupted political system and their morally compromised way of relating to one another, these events provided a kind of spiritual lift to Russians that has been hardest of all for Western analysts to understand. It is rooted in the determination of the Russian reform leaders to move not just outward towards Western economic and political institutions but also inward to recover their own half-obliterated cultural and religious roots.

I had particularly good opportunities to see this dimension because I was there as the invited guest of a congress of Russian emigres summoned by the Yeltsin government to try to define, in effect, a post-totalitarian Russian cultural identity. I had considerable contact with church and cultural leaders, delivering four lectures on this subject before, during, and after the coup with many from the democratic resistance in attendance.

Part of this spiritual dimension was provided by the direct intervention of the Patriarch of the Russian Orthodox Church on the side of the democratic resistance on the second day of the coup. The Patriarch had initially seemed to follow a long tradition of passivity—saying nothing about the coup when, after a liturgy on the morning of the coup, the main doors of the Cathedral of the Assumption were opened and, for the first time since the Bolshevik Revolution, a Patriarch directly addressed the Russian people in the Kremlin Square. Three of his top metropolitans also refused to rise for a tribute to the embattled Yeltsin government at the opening that evening of the Congress of Russian emigres—one of those metropolitans having bluntly proclaimed his support of the coup forces to me a few moments before.

But after a call from the Yeltsin forces and after he himself called America for assurance of asylum if the putsch prevailed, the Patriarch blessed and publicly supported the resistance. He issued a powerful prayer condemning fratricide over loudspeakers to the forces of the putsch just a half hour before their attack on the White House was expected on the second night when the only bloodshed did in fact take place.

The events, perhaps unconsciously, recovered for Russia submerged elements of its older Christian culture. Almost everyone including confirmed atheists used the word "miracle" to explain how it all ended so well so quickly; and many thought it not accidental that the 48 hours which they say transfigured Russia began on the Orthodox Feast of the Transfiguration; and during the public funeral of the three young men who were killed, orators of all kinds repeatedly played on the Judeo-Christian themes of repentance, forgiveness, and the redemptive value of innocent suffering. The emotional high point of the funeral cortege through Moscow was Yeltsin's farewell to their parents: "Forgive me, your president, that I was unable to save your sons from destruction." "Forgive me" is what Russians say to each other before taking Communion and, almost with those words alone, Yeltsin seemed to reinvest power with deeper (if not higher) authority. Somebody not to blame was assuming personal responsibility in a society where people in power never used to accept responsibility for anything.

Even the rather militantly agnostic Elena Bonner evoked a higher spiritual authority in her powerful speech at the White House which challenged the materialistic assumption of the junta that Muscovites could be wooed into submission by offering sausages for "eight Pavlovian rubles." "We are cleaner, we are higher."

When free television returned after 48 hours of junta control, the resistance was instantly mythologized in a series of quite beautiful documentaries that portrayed the struggle as an almost pure conflict between good and evil rather in the manner of the chronicles—playing up the whiteness of the White House, the sudden appearance of the sun after the near continuous rain of 48 dark hours and the similarity of the three martyred boys to the first Russian saints, St. Boris and St. Gleb, who were also victims of political fratricide.

The memory no less than the reality of those 48 hours has provided Russians with a sense of spiritual aspiration that is more broadly ecumenical than narrowly Orthodox. For a brief moment at least, the reform movement generated a sense of common purpose that transcended some of the enduring internal conflicts in Russian culture that have divided past movements of reform: Between Slavophile and Westernizing tendencies and between elite intellectuals and ordinary working people.

Of course, sudden soaring hopes can easily give way to deep disillusionment. We cannot yet be sure if the proper analogy for an authoritarian Russia that has lost the cold war is authoritarian Germany after it lost World War I or after it lost World War II. After the First war, the fledgling German democracy was doomed by unreasolved economic problems, the indifference of existing democracies, and a nationalistic-fascist reassertion of imperial identity. After the Second War, a new German Federal Democracy flourished with the support of other democracies and an inner commitment to real change.

It is currently almost universally fashionable to be pessimistic about the prospects for Russian democracy—and to use the analogy of a weak Weimar Republic waiting for its Hitler.

But let me suggest a more hopeful outlook by describing seven people whom I had the honor to observe often at very close range during these 48 hours. Each represents a different group active in the democratic resistance; each is a genuine leader, yet largely unknown to the outside world. And behind each of them stand many others from who will come the next generation of leadership that will soon replace that of Gorbachev and Yeltsin.

Alexander Rutskoi is Yeltsin's Vice President, but he has yet to get all the credit he deserves for organizing the defense of the White House in an essentially moral rather than authoritarian way. He is one of the many Afghanistan veterans who provided the military competence for Yeltsin's defense and also a recent convert to Christianity who helped enlist the support of the Patriarch. With the moral serenity of a true leader, he made the organization of the defense an entirely voluntary undertaking—urging each person to examine his own conscience and his own often conflicting obligations to others to determine what role each should be prepared to play in the event of fighting.

Vyacheslav Ivanov is one of the world's greatest linguists and a member of the Library of Congress' Council of Scholars, who represents the extraordinary intellectual talent that has assumed political responsibility in Russia during recent years. As a people's deputy of the Soviet Union, he became a lead negotiator during the crucial 48 hours of the Yeltsin government's dealings with the treacherous Lukyanov, who had remained in the Kremlin as a point of liaison with the junta protected by a mysterious, but vaguely threatening new cadre of central Asian soldiers. Having already turned the Library of Foreign Literature, which he heads, into one of Moscow's most active centers for the open discussion of new Western ideas, he invited the leading reform journal, The Independent Gazette, to publish there when it was outlawed by the putsch. I will never forget his returning to his library to introduce me for a morning discussion on the importance of the knowledge-base to democracy—after spending the perilous second night of the coup in the White House with his son. He proceeded to lead the most exhilarating discussion I can ever remember on the relationship between libraries and democracy—led by a man with a lot to live for, but who was clearly prepared to die for either libraries or democracy.

A third leader was Constantine Lubenchenko, another liberal people's deputy who chaired an independent 190-person group of reform-minded legislators, and—when cut off from his group by the putsch—personally led an internal war of memoranda inside the leadership of the parliament against Lukyanov's efforts to give legislative legitimacy to the so-called extraordinary committee of the junta. Reminiscing with me just after the defeat of the coup about the delegation he led to the Library in 1989, this young representative of the new professional political class, deeply dedicated to establishing the rule of law, described the important roles then being assumed in the post-coup power structure by most of the members of that first of many parliamentary delegations to come on working visits to the Library of Congress. As a token of his gratitude, he gave me for the LC's collections the original copies of some of his key memoranda of the 48-hour period. Lubenchenko's admirers and allies reached even into the KGB, one of whose officers provided him with advance warning of the KGB plan for storming the White House—and detailed information on 28 hitherto unknown secret entry points into the White House from subterranean tunnels.

A fourth leader who was deeply influenced by his visit to the Library of Congress is Rudolph Pikhoya. He is a historian friend from Sverdlovsk (now Ekaterinburg) who typifies (along with his wife who is one of Yeltsin's speechwriters) the substantial Siberian and provincial participation in the Russian resistance; many of them had come to Moscow at the time for the congress on Russian identity that I was attending. Pikhoya was immediately put in full charge of the archives of the Communist Party Central Committee when they were confiscated after the defeat of the coup. He called me to apologize for not seeing me off when I left, but indicated that he was rather busy sorting through the 30 million items in 160 separate archives that must surely constitute one of the greatest untapped resources for writing the full history of our troubled century. He has just this week written me to ask for help in setting up an international commission to oversee a massive microfilming effort—something we are also undertaking for older historical documents in Leningrad in response to the urgent request of the great scholar Dmitry Likhachev. Some of you met Likhachev during his earlier visits to the Library; during the crucial 48 hours he delivered a key address to the crowd of a quarter-million that assembled in the great square of Petersburg to declare their support for the democratic resistance.

A fifth unsung hero was Father Alexander Borisov, a young, elected member of the Moscow City Council and protege of Alexander Men, a prophetic priest mysteriously murdered as the turn towards reaction began just a year ago. Head of a newly opened parish in the heart of Moscow, Borisov conducted during the 48 hours around the White House a non-stop evangelical mission involving prayer, counselling, baptizing, and above all, distributing copies of the New Testament from his newly founded Bible Society to all in danger. He went first to the boys in the threatening tanks and handed out 2,000 Bibles with only one soldier refusing, then gave out an equal number to those on the barricades.

A quite different form of entrepreneurship was represented by a sixth and even less-known hero of those 48 hours, Anatoly Petrik. Petrik is the son of a former Soviet ambassador and a private-sector promoter of the rapidly developing information industry, who on the second night of the coup invited me to the party launching his revival of the prerevolutionary Russian Bibliographical Society. In the midst of the already restrained celebration, the junta-controlled TV suddenly came on with the solemn announcement that everyone had to be off the streets by 11 p.m. curfew—in Russian it was the komendantsky chas, the "commandant's hour" which has a more ominous ring than the word curfew. Everyone interpreted this as the necessary preliminary to an attack on the White House. No one said much except that it was time to go; as they left me off at the Hotel, Anatoly said "You must forgive us for having such a strange government" with a mixture of off-hand jauntiness and deep seriousness characteristic of many of the young participants in these events. One of the older women librarians quietly explained to me that they would all be going to the barricades, that it was up to the Russians to stand up to all of this and important that the older generation join the young "since we are the ones who for so long remained silent."

I think you can imagine how I felt saying farewell as they left to gather up what I later learned was a combination of Molotov cocktails and McDonald hamburgers to take to the White House. I did not know that night if I would ever see them or indeed any of my Russian friends again—and was not sure that I would until firm news came the next morning that there had been no attack and that the coup was unravelling and until—yes—the sun came out and they all began appearing at a final reception for the librarians' conference within a suddenly festive Kremlin.

The person I was happiest of all to see that day was my seventh and last hero, an energetic companion for much of my 2½ weeks in Moscow and the true builder of the extraordinary collection that the Library of Congress now has of the public record of these last exciting years in the U.S.S.R.: the head of our Moscow office, Mikhail Levner. He had been publicly threatened just a few weeks before the coup in an ugly antisemitic incident, and the head of the Soviet institution within which Levner runs our office had treated the entire Library of Congress delegation in Moscow to a chilling reception on the morning of the coup after having taken down Gorbachev's picture and privately making clear to me his support for the junta.

After a busy schedule of calls with me, Levner quietly headed off for his own stand in the rain at the barricades as I should have known he would—wearing a bright Library of Congress T-shirt and collecting leaflets and broadsides all the while for our collections even as he formed part of the human wall. "I did it," he later explained quietly to me "for our motherland" using the intimate Russian word rodina; and in that affirmation of patriotism by someone who had not been all that well treated by many who called themselves Russian patriots, I saw a heartening sign that perhaps old animosities could be genuinely transcended with new hope—even the deep split between Christian and Jew. The same thought was expressed by Russian friends after the public funeral ceremony which in a way closed out these great events with music that combined Orthodox Christian and Reformed Jewish religious chants for the two ethnic Russians and the one Jew who had died on the barricades.

These heroic days have given an enormous adrenalin shot of hope and self-confidence to the Russian people.

But the Russians' new emotional commitment to democracy is not accompanied by any real experience with its institutions. The economy continues to deteriorate, more social violence seems likely, and most of those who sympathized with the coup remain in their old positions and may attempt a second takeover some time during the next year or so if the current chaos continues.

The west clearly has an enormous stake in sustaining the new culture of hope and in helping create sustainable, democratic institutions and free market mechanisms in Russia and the other republics. Mikhail Levner's collection of pamphlets and newsletters makes clear that they have already produced an amazing number of the kind of non-governmental institutions (churches, clubs, cooperatives, cultural organizations, independent unions, etc.) that make up the inventive civil society that enables freedom to work. What they most specially need now, in my opinion, is an all-American engagement of private and local organizations both to establish direct links with their counterparts throughout the U.S.S.R. and to increase massively the number of Soviet citizens who come here for short-term living, studying, and working experiences. The adventure of engaging the American people as a whole with the Soviet people as a whole would represent the kind of human response to both their achievement in August and their continuing needs that Russians specially appreciate but have not yet found from the West. It is more effective and less demeaning to bring Russians here to see how they can adapt our institutional arrangements to their needs than to send more of our advisors over there.

Such people-to-people programs will strengthen the democratic and free market forces which are strongest at the grass roots level. Such programs need not be put on hold pending the outcome of domestic political controversies in what used to be the Soviet Union.

Democratization was defeated in China because it had troops but no leaders. Russia now has leaders without troops—but it has a populace thirsting for basic training in building a new type of society. We can help provide it if we begin bringing people from the Soviet Union in something like the thousands we were routinely bringing in every year from China up until the repression in Tiananmen Square. The seven people I have described need to be multiplied into seven or even seventy thousand. But the sad fact is that we have so far not brought over in the entire postwar period as many Russians as we did Chinese in a single peak year of the recent past. Indeed, no major nation in the modern world has had less exposure to America than the Russians.

We have a practical need to launch a truly massive effort in this area because a democratic Russia is the best guarantee that reform will be stabilized and that those Russian missiles still targeted on us will never be used.

The August surge of hope could easily give way to a backlash of despair in the difficult times ahead unless larger numbers of Russians can gain some sense of how democratic and market institutions really work. Although Communism is dead, there could yet be a return of authoritarian forces under some new nativist fascist banner if more of the peoples of the U.S.S.R. are not rapidly brought out of their long isolation from the modern democratic world. We would then risk becoming again the external enemy—in part because we proved unwilling at a critical turning point in history to give more of ourselves to help others practice the ideals we had so long preached.

It seems only fitting in retrospect that my library colleagues and I were witnesses to the drama of last August. The Russian democrats, scores of whom have visited the Library over the past 3 years, see the Library of Congress as a prime example of what freedom means. They realize that for democracy to work in a complex society, it must be knowledge-based—and that open access to knowledge is the only basis for progress.

Our Congress, by creating at the beginning of its life in this new capital the Library of Congress, established the idea that legislation should be linked to learning. The Congress now, through a special Speaker's commission under Representative Martin Frost, has created an important vehicle whereby the Library of Congress is helping build an infrastructure of knowledge and information support for the emerging new parliaments of Eastern Europe.

It is both inspiring and humbling for those of us who sometimes take for granted the freedoms we have to see how much free institutions mean to those who have been denied them. On a radio call-in talk show on Echo Moscow just 2 nights before the coup, I was amazed at how much Russians in the far corners of their country knew about the Library of Congress and shared in the Jeffersonian ideal of progress built on knowledge and achieved through freedom. Our former protagonists seem to have caught a glimpse through their new politics of hope of what we once thought was a distinctively American dream: The belief that, whatever the problems of today, tomorrow can always be better than yesterday.•

HONORING GENESEO AS A NATIONAL HISTORIC LANDMARK

• Mr. D'AMATO. Mr. President, today is a great day; the culmination of hundreds of hours of labor, a labor of love. For today is the day when the Secretary of the Interior, Manuel Lujan presented a special plaque to the mayor of Geneseo designating the Village of Geneseo as a national historic landmark. Two very special people, Jeannette McClellan and Nancy O'Dea have cochaired the Historic Preservation Commission of the Association for the Preservation of Geneseo and had undertaken, with the clerical support of the mayor and village board's office,

this arduous process and have been very successful.

It was over 2 years ago when Carolyn Pitts, Architectural Historian for the Department of the Interior, visited Dr. Bertha Lederer and took a tour of Geneseo. Ms. Pitts suggested that a theme study take place in Geneseo. That's how the whole adventure of taking slides of street scenes, updating ownership and other research, and photographing any divergences from the National Register began.

The theme study was referred to the Park Service in March of 1991 and received a resounding approval. From there it was forwarded to the National Park System Advisory Board to the Department of the Interior in Olympia, WA. Here the theme study was approved with a high recommendation on April 24, 1991. On July 17, 1991 it was signed and approved by the Secretary of the Interior, Manuel Lujan.

When you consider that of the 50,000 entries in the national register only 2,000 are national landmarks. And when you consider also that Geneseo has become 1 of 20 National Historic Districts in the United States, then you will join with me, the Secretary of the Interior, and the village of Geneseo in celebrating this great honor.

Many thanks to the mayor, the Association for the Preservation of Geneseo, the Historical Preservation Commission, and the village of Geneseo for their perseverance and persistence in bringing this great day about. Congratulations and best wishes.•

S. 140—FEDERAL PILT PAYMENT

• Mr. McCAIN. Mr. President, I want to express my support for Senate bill 140, a measure to authorize urgently needed increases in Federal payments in lieu of taxes.

The Federal PILT Payment Program was designed to compensate counties for lost property taxes due to the Federal ownership of land. In the West, and in my State of Arizona, where millions of acres are held by the Federal Government, private property is scarce and the tax base is limited. Compensatory revenues are critical so that affected counties may provide basic services.

Although the Federal Government has a clear obligation to pay its fair share, PILT payments have not been increased since the program was established in 1976. Passage of Senate bill 140 will remedy this injustice by authorizing an immediate increase in PILT payments and adjusting the yearly payment to the rate of inflation.

I am happy to be a cosponsor of this legislation and I urge my colleagues to approve the measure without delay.•

UNANIMOUS-CONSENT AGREEMENT—S. 869

Mr. MITCHELL. Mr. President, I ask unanimous consent that the majority leader, after consultation with the Republican leader, may at any time, prior to sine die adjournment of the 1st session of the 102d Congress, turn to the consideration of calendar No. 180, S. 869, a bill to improve veterans post-traumatic stress programs, and that it be considered under the following time limitations:

There be 30 minutes for debate on the bill and the committee substitute equally divided between the chairman and ranking member, or their designees;

That no motions to recommit be in order; that the only amendments in order, other than the committee substitute, provided that the chairman or his designee has the right to modify the committee-reported substitute, be the following amendments and that they be considered under the time limitations indicated:

Two hours in a Simpson amendment indexing veterans COLA benefits;

One hour on a Simpson amendment striking section 103 of the committee substitute (section 103 providing for priority care of certain combat-theater veterans for post-traumatic stress);

One hour on a Simpson amendment striking section 104 of the committee substitute (section 104 expands readjustment counseling to veterans of World War II, and the Korean conflict);

Twenty minutes on a Riegle amendment authorizing flying of POW/MIA flag at VA Cemeteries;

Further that all of the above listed amendments be first degree amendments;

That all time be equally divided in the usual form;

That once S. 869 has been read a third time, the Senate then proceed to Calendar No. 140, H.R. 2280, the House companion, that all after the enacting clause be stricken and the text of S. 869, as amended, be inserted in lieu thereof, that the bill be advanced to third reading and the Senate then vote on final passage of the bill; that upon disposition of H.R. 2280, S. 869 be indefinitely postponed.

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

The text of the agreement follows:

Ordered, That the Majority Leader, after consultation with the Republican Leader, may at any time, prior to the sine die adjournment of the First Session of the 102d Congress, turn to the consideration of S. 869, a Bill to Improve Veterans Post-Traumatic Stress Programs, and that there be 30 minutes for debate on the bill and the committee substitute, to be equally divided and controlled between the Chairman and Ranking Member, or their designees.

Ordered further, That the only amendments in order, other than the committee substitute, providing the Chairman or his designee has the right to modify the committee-reported substitute, are those that follow, to be considered under the time limits as noted:

Simpson amendment, indexing veterans cola benefits, 2 hours;

Simpson amendment, striking sec. 103 of the committee substitute (which provides for priority care of certain combat-theater veterans for post traumatic stress), one hour;

Simpson amendment, striking sec. 104 of the committee substitute (which expands readjustment counseling to veterans of World War II and the Korean Conflict), one hour;

Riegle amendment, authorizing flying of POW/MIA flag at VA cemeteries, 20 minutes;

Ordered further, That all of the above listed amendments be first degree amendments.

Ordered further, That all time be equally divided in the usual form.

Ordered further, That no motions to recommit be in order.

Ordered further, That once S. 869 has been read a third time, the Senate then proceed to H.R. 2280, the House companion, that all after the enacting clause be stricken and the text of S. 869, as amended, be inserted in lieu thereof, that the bill be advanced to third reading, and the Senate then vote on final passage of the bill.

Ordered further, That upon disposition of H.R. 2280, S. 869 be indefinitely postponed.

NATIONAL ELLIS ISLAND DAY; YEAR OF THE GULF OF MEXICO

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged, en bloc, from further consideration of the following joint resolutions: House Joint Resolution 130, designating January 1, 1992, as "National Ellis Island Day"; and House Joint Resolution 327, designating 1992 as the "Year of the Gulf of Mexico"; and that the Senate then proceed, en bloc, to their immediate consideration; that the joint resolutions be deemed read three times and passed and the motion to reconsider be laid upon the table, en bloc; and that the preambles be agreed to; further that the consideration of these resolutions appear individually in the RECORD; and that any statements appear in the appropriate place.

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

The resolutions (H.J. Res. 130 and H.J. Res. 327) were deemed read three times and passed.

The preambles were agreed to.

Mr. COCHRAN. Mr. President, I would like to commend my colleagues on the passage of Senate Joint Resolution 194 which designates 1992 as the "Year of the Gulf."

This joint resolution brings recognition to the activities which are planned in 1992 to celebrate the Gulf of Mexico and enhance its contributions to the Nation. The gulf deserves recognition for its economic and recreational importance. It is a national treasure being not only one of the most valuable fisheries but also providing critical habitat for 75 percent of the migratory waterfowl in the U.S., tourism, oil and gas development, and ports provide significant economic benefits to the Nation.

However, the gulf is also experiencing the impact of water pollution. Fishing and recreation have been impaired due to growing dead zones, areas deficient of oxygen. Approximately 3.4

million acres of the shellfish-growing areas along the Gulf of Mexico have been conditionally or permanently closed. The closing of these areas are due in part to the increase in population and development along the coast.

Protection of the gulf is now underway through the Gulf of Mexico Program. Through this program, a strategy has been developed and is being implemented to manage and protect the resources of the gulf. This program encompasses participation from Federal agencies, State agencies, research institutions, and private citizens. The Environmental Protection Agency's Gulf of Mexico Program office, located at the Stennis Space Center in Mississippi, is continually working to coordinate and organize environmental activities to preserve the gulf.

Mr. GRAMM. Mr. President, I am pleased that the Senate has approved Senate Joint Resolution 194, a joint resolution which designates 1992 as the "Year of the Gulf of Mexico."

The joint resolution was introduced several weeks ago by me and Senators GRAHAM, COCHRAN, JOHNSTON, LOTT, and MACK. Since that time, many of our colleagues have joined us in this effort to draw attention to the significant economic, environmental and recreational resources of the Gulf of Mexico.

The gulf is truly a national treasure and well deserves the best stewardship efforts of the people of our Nation.

There have been disturbing signs of potential, long-term damage to the gulf, affecting those who depend on it for everything from jobs to recreation. Clearly, it is time to focus our collective resources on the gulf in an effort to insure that we act in a timely fashion to protect and preserve this unique, natural treasure.

In other legislation which I have introduced with a number of my colleagues, we have proposed that the Environmental Protection Agency develop a comprehensive gulf conservation and management plan. This proposal would authorize a grant program to the States which agree to implement recommendations contained in the gulf plan. It also proposes cooperative agreements with the Government of Mexico in an effort to insure international cooperation with the gulf initiative.

Passage of Senate Joint Resolution 194 and the designation of 1992 as the Year of the Gulf of Mexico would be an important first step in drawing the attention of our Nation to the need for action to protect America's sea.

MEASURES INDEFINITELY POSTPONED—SENATE JOINT RESOLUTION 190, SENATE JOINT RESOLUTION 194

Mr. MITCHELL. I now ask unanimous consent that the Judiciary Committee be discharged, en bloc, from consideration of Senate Joint Resolution 190, and Senate Joint Resolution 194, Senate companions to the above House Joint Resolutions, and that the Senate measures then be indefinitely postponed.

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

STOP WORRYING ABOUT THE WRONG NUMBERS

Mr. DOLE. Mr. President, it was back on July 11 when this body responded a bit belatedly to President Bush's 100-day challenge, and passed tough anticrime legislation.

The bill included the first-ever comprehensive Federal death penalty. It included a reform of habeas corpus, which would restore some much-needed confidence in our courts. And, yes, it included a waiting period for handgun purchases.

The House has responded with a bill that, in this Senator's viewpoint, is weaker in many instances, and stronger in a few instances—especially in reform of the exclusionary rule.

And now, it is up for a conference committee to iron out the disagreements, and to send us the tough bill America's law-abiding citizens want and deserve.

But while the American people worry about the number of criminals walking the street, my friends on the other side of the aisle seem to be more worried about the number of Democrats and Republicans on the conference committee.

There are, of course, eight Democrats and six Republicans on the Senate Judiciary Committee. Senator THURMOND, the ranking Republican, has suggested that the Senate conference committee be comprised of half those numbers—four Democrats, and three Republicans.

Or Senator THURMOND has suggested, why not appoint the whole committee as conferees—eight and six.

The chairman of the Judiciary Committee insists the only good conference committee is one comprised of five Democrats and three Republicans.

Mr. President, I am not certain when we are going to adjourn this year; if we are going to adjourn this weekend or sometime next week. It is probably unreasonable to suggest with all the differences between the House and Senate bill, that a conference could be concluded. But it would be my hope, because of the experience we have had with the House in past conferences, that we make certain we protect the Senate's provision.

And I suggest, the distinguished Senator from South Carolina, having advanced two proposals that are fair, and I hope that we could choose one of these suggestions by Senator THURMOND and to conference on this bill, even those we might not complete action before final adjournment.

Mr. President, we have played this game before.

Last session, we passed solid anticrime legislation, only to have the conference committee strip the meat from the bill, and leave nothing but the bones. And I know there are those who would like nothing more than to send the President a watered-down bill that he will not sign.

Mr. President, Senator THURMOND has advanced two proposals that every Senator in this Chamber knows are fair. It is time to choose one and to send the message that the safety of the American public is more important than partisan political squabbling.

Mr. MITCHELL. Mr. President, I share the view expressed by the distinguished Republican leader that we be able to complete action on the crime bill in this session, but I must confess that does not appear likely for a variety of reasons, not all of which are related.

As the distinguished Republican leader may know, earlier today our friend and colleague, Senator SYMMS, spoke on the Senate floor, and obviously what he said is a matter of record. But I understand he described this as not an anticrime, but a procrime bill, and said he would do all he could to keep it from going to conference in this session. He has the right to object, and he has indicated he will do so.

On the question of conferees, we have had a number of exchanges, and I really do not want to prolong it, except I want to put in the RECORD that there have been two crime bill conferences in the past decade.

In 1982, at which time there were 53 Republicans and 47 Democrats in the Senate, there were then 8 conferees: five Republicans and three Democrats. In 1990, at which time there were 55 Democrats and 45 Republicans, there were then eight conferees: five Democrats and three Republicans. Now, there are 57 Democrats and 43 Republicans, and what Senator BIDEN has proposed is 8 conferees: 5 Democrats and 3 Republicans. That is the same number for the majority and for the minority as occurred in both 1982 and 1990, at which time there were fewer Members in the then-majority than is now the case.

I ask unanimous consent that these documents documenting the facts which I just stated and identifying each of the conferees from the Judiciary Committee and, in the latter case, in 1990, other committees related to other sections of the bill, be printed in the RECORD.

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

1982 CRIME BILL

Senate conferees on H.R. 3963, the 1982 crime bill that President Reagan pocket vetoed, were:

Democrats: Biden, Kennedy, Leahy.
Republicans: Thurmond, Mathias, Laxalt, Hatch, Dole.
(December 2, 1982; Cong. Rec. S13771.)

1990 CRIME BILL

The Senate appointed the following conferees on H.R. 5269, the 1990 crime bill:
Democrats: Biden, Kennedy, Metzenbaum, DeConcini, Leahy.
Republicans: Thurmond, Hatch, Simpson.
For title XXI of the bill:
Democrats: Riegle, Wirth, Graham, Dodd.
Republicans: D'Amato, Heinz, Bond.
For title XXII, section 2224, of the bill:
Democrats: Riegle, Wirth, Dodd.
Republicans: Heinz, Roth.
For title XXIII:
Democrats: Pell.
Republicans: Helms.
(October 22, 1990; Cong. Rec. S16480.)

ORDERS FOR TOMORROW

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 8:30 a.m., Tuesday, November 19; that following the prayer, the Journal of proceedings be deemed approved to date, and the time for the two leaders be reserved for their use later in the day; that there be a period for morning business, not to extend beyond 10 a.m., with Senators permitted to speak therein, with the following Senators recognized to speak in the order listed: Senator SPECTER for up to 30 minutes; Senators HEFLIN and GRASSLEY for up to 10 minutes each; and with the time until 10 a.m., under the control of the majority leader or his designee; that the Senate stand in recess from 12:30 p.m. to 2:15 p.m., in order to accommodate the respective party conferences.

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

RECESS UNTIL TOMORROW AT 8:30 A.M.

Mr. MITCHELL. Mr. President, if there is no other business to come before the Senate, I now ask unanimous consent that the Senate stand in recess, as under the previous order.

There being no objection, the Senate, at 7:07 p.m., recessed until Tuesday, November 19, 1991, at 8:30 a.m.

NOMINATIONS

Executive nominations received by the Senate November 18, 1991:

DEPARTMENT OF STATE

JOHN HUBERT KELLY, OF GEORGIA, 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 FINLAND.

HOUSE OF REPRESENTATIVES—*Monday, November 18, 1991*

The House met at 12 noon.

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

Gracious God, eternal spirit of love, we ask Your blessing on all the people You have created. We specially give thanks for colleagues and friends who are sensitive to the needs of others and who freely give of their time and affection. We are grateful that people encourage each other in acts of kindness and stand with each other at times of great need. In the silence of our hearts and in the quiet of this prayer we remember these friends and give thanks for their abiding presence in our lives and in the lives of others. Amen.

THE JOURNAL

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

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

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentlewoman from New York [Ms. MOLINARI] come forward and lead the House in the Pledge of Allegiance.

Ms. MOLINARI 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. Hallen, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 161. Concurrent resolution expressing the sense of the Congress that the American public should observe the 100th anniversary of moviemaking.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 1724. An act to provide for the termination of the application of title IV of the Trade Act of 1974 to Czechoslovakia and Hungary.

The message also announced that the Senate had passed bills and joint resolution of the following titles, in which the concurrence of the House is requested:

S. 959. An act to establish a commission to commemorate the 250th anniversary of the birth of Thomas Jefferson;

S. 1553. An act to establish a program of marriage and family counseling for certain veterans of the Persian Gulf War and the spouses and families of such veterans;

S. 1973. An act to authorize the Secretary of Transportation to transfer a vessel to the City of Warsaw, KY, and

S.J. Res. 232. Joint resolution waiving certain enrollment requirements with respect to the bill H.R. 3575.

The message also announced that, pursuant to Public Law 102-62, the Chair, on behalf of the President pro tempore, appoints Mr. Glenn Walker, of Kansas, to the National Education Commission on Time and Learning.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 2038, INTELLIGENCE AUTHORIZATION ACT, FISCAL YEAR 1992

Mr. SABO. Mr. Speaker, I ask unanimous consent that the managers have until midnight, Monday, November 18, 1991, to file a conference report to accompany the bill (H.R. 2038) to authorize appropriations for fiscal year 1992 for intelligence and intelligence-related activities of the U.S. Government, the intelligence community staff, and the Central Intelligence Agency retirement and disability system, and for other purposes.

Mr. Speaker, the minority has been informed of this request and I understand that there is no objection to it.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,
November 18, 1991.

Hon. THOMAS S. FOLEY,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, the Clerk received the following message from the Secretary of the Senate on Friday, November 15, 1991 at 6:57 p.m.: That the Senate passed without amendment, H.R. 3575.

With great respect, I am

Sincerely yours,

DONNALD K. ANDERSON,
Clerk, House of Representatives.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that pursuant to clause 4, of rule I, the Speaker signed the following enrolled bills on Friday, November 15, 1991:

H.R. 3575. An act to provide a program of emergency unemployment compensation, and for other purposes; and

S. 374. An act to settle all claims of the Aroostook Band of Micmacs resulting from the band's omission from the Maine Indian Claims Settlement Act of 1980, and for other purposes.

TIME FOR CONGRESS TO LOWER CREDIT CARD INTEREST RATES

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

Mr. CLEMENT. Mr. Speaker, Vice President QUAYLE has said that if the U.S. Congress moves to lower interest rates on credit cards, that he and the President will make sure it doesn't become law.

The President has said that he wants the market to work rather than legislative action by the U.S. Congress.

Mr. Speaker, I'm holding in my hand a credit card bill from a company charging 29.99-percent interest. It doesn't look like the market is working.

The bankers have said "We're going to cut off half of our credit card holders if Congress reduces interest rates from 20 percent and more, down to 14 percent."

How long—oh, how long do we have to wait until the market works.

How long—oh, how long will it take before the bankers reduce the interest rates from these artificially high levels.

Mr. Speaker, it is time the Congress takes action and sends to the President legislation to lower interest rates on credit cards—a beginning step toward getting the economy moving again.

A POSTAL SERVICE TIME BOMB

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

Mr. BROOMFIELD. Mr. Speaker, last week, at the Royal Oak regional post office, five lives were lost in a senseless shooting.

In recent days, I have gotten a number of calls from postal employees around the Nation. In each call the message is the same: Working conditions are awful, and what happened at

the Royal Oak Post Office can happen again—and right here.

Today I met with officials of the General Accounting Office. They have agreed to launch a tough investigation of the Postal Service in response to the Royal Oak shootings.

In view of what has happened, there is an even greater need for a bipartisan commission to study the U.S. Postal Service.

More than 100 Members are now cosponsors of my resolution which would create such a commission. I urge those of my fellow Members who are not yet cosponsors to sign on to the resolution today.

ABC WHITE HOUSE REPORTERS BIASED IN REPORTING

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

Mr. OBEY. Mr. Speaker, last Friday "ABC Evening News" reported on the unemployment compensation debate, and that report illustrated clearly how difficult it is for network White House correspondents who have the heady experience of playing tennis with the President to then fairly describe fights between the White House and certain Members of Congress.

On Friday a number of Senators were trying to change the unemployment compensation package to make certain that States like mine got 13 weeks of additional help rather than 6 and that benefits applied to those who had been out of work long term, rather than those who only recently lost coverage.

ABC's Britt Hume duly reported the White House comments, but then dismissed the congressional debate as squabbling.

Mr. Speaker, cynical TV commentators may be bored by such disputes and may blithely dismiss them as squabbling, but what is at stake is whether 150,000 deserving Americans, including thousands from my State, will receive the help they need in tough economic times.

Mr. Hume may dismiss that as being squabbling; I define it as doing our job. It may be squabbling to a comfortable network television reporter, but it is survival to an awful lot of Americans that we represent.

REPEAL THE EARNINGS TEST

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

Mr. GOSS. Mr. Speaker, President Woodrow Wilson once said that the concentration of power preceeds the destruction of human energy. This observation seems particularly appropriate for describing how things work in Congress today. Take for example, the Social Security earnings test, an outdated, discriminatory law left over from the 1930's that puts a cap on how much senior citizens can earn. One study estimated that 700,000 seniors would be working today if not for the severe disincentive of this law.

Incredibly, seniors continue to labor under the restrictions of the earnings test, not because it makes sense, but because of the concentration of powers here in this house. Even though a sizable majority of my colleagues have cosponsored legislation to repeal the law and the Senate has already approved repeal, the House leadership refuses to allow the measure to come up for a vote.

In the coming days, House conferees will have a chance to prove President Wilson wrong, to use their concentrated powers to expand, rather than destroy the earnings potential of seniors. As they negotiate with the Senate, I hope they remember that this country was founded on the principles of fairness, hard work, and self-reliance. Our seniors want nothing more than a fair deal. We owe them that.

STREET NAME FOR HIGH INTEREST RATES: LOAN SHARKING

(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 week the President said interest rates on credit cards are killing our economy. Now the bankers said the President has gone bonkers. Meanwhile, the Secretary of Treasury said all this talk about capping credit card rates is crashing Wall Street.

Let us take a look at this. We put our money in the bank, they give us 5 cents for the deposit; but when they lend the money back to us, they charge us 25 cents.

Mr. Speaker, when this happens on the street, there is a name for it—it is called loan sharking. When you can borrow money cheaper from the Mafia than you can from the banks, something is wrong with our economy.

Mr. Speaker, I say before we have any more quick fixing, we take a look at trade and tax policies. They are sending jobs overseas and wrecking our financial institutions. I think that is where Congress should start.

□ 1210

FEDERAL MANDATES ARE KILLING SMALL BUSINESSES AND JOBS

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

Mr. IRELAND. Mr. Speaker, last week, the House passed yet another Government mandate on business, the Family and Medical Leave Act.

Now, some of my colleagues argue that this bill isn't much of a burden. In doing so, they completely ignore the cumulative effect of all the laws we pile onto small businesses each year. Taken as a whole, the impact can be devastating.

It is not just mandated leave. It is mandated leave and striker replacement and higher payroll taxes to pay for extended unemployment benefits and mandated health insurance—just to name a few on this year's agenda.

My colleagues, we cannot expect small businesses to solve every problem we face in this country. We cannot expect them to shoulder the cost of compliance for every program that the Government can no longer afford to fund on its own.

I urge Members to listen carefully to what small businesses in their districts are saying about the effect of Government mandates. Because it is easy to say that you are all for small business. But it is how you vote that really counts.

PASSAGE OF SURFACE TRANSPORTATION BILL WILL PROVIDE JOBS FOR AMERICANS

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

Mr. APPLEGATE. Mr. Speaker, with America's economy in dangerous decline, the stock market is falling, industry and jobs are being lost to bad trade policy, consumer confidence is at a low ebb, and with the administration and Congress unable to come together with a consensus direction there is at least one bright spot. It is called the Surface Transportation Infrastructure Act of 1991. The House and Senate conferees are now diligently working to try to bring a bill together to bring it to the floor, and this bill is going to upgrade and rebuild America's crumbling transportation system and it is also going to create 2 million new jobs, good jobs for Americans. It will be a big boost for the American economy.

To my colleagues I say, "Get in touch with your friends on the conference committee and talk to them." To all other Americans I say, "Call your Congressmen and your Senators and tell them to get on the stick and let us get this thing passed. We need the bill now and so does America's economy."

SUPPORTING AMERICA'S BUSINESSES WILL CREATE JOBS

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

Mr. THOMAS of Wyoming. Mr. Speaker, I just returned from Wyo-

ming, where I have talked to a number of business people, and I feel stronger than I did before that what we are doing here is exactly the reverse of what we ought to be doing to create some strength in our economy.

What we are doing is we are causing businessmen to say, "Why should I invest? Why should I risk? There are so many regulations, it makes it so difficult for me to make a profit I am not going to put my money in the business community."

We stand up here day after day and saddle the business community with more and more regulations, more and more restrictions, and we restrict the very engine that causes us to have more things for more people than anywhere else in the world. We seem to forget that that is what has driven this economy and allowed us to do the things that we do, and we continue to hobble it and choke it off.

What happened to the idea of supporting business? What is wrong with profit? What is wrong with incentive and creating jobs so people can work here? Instead, it has been more political for us to select little groups in the economy and do things for them.

Let us release the sector that has given us what we have in the private sector that all the world is patterning after and let it go. That is what we need to do is create jobs.

CREDIT CARD RATE REDUCTION WILL HELP MIDDLE-INCOME TAXPAYERS

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

Mr. MILLER of California. Mr. Speaker, in the next few days the Congress will be asked to bail out the savings and loans and the banks of this country to the tune of tens of billions of dollars on top of the tens of billions of dollars that we have already given to this bailout, and by the middle of this decade we may have spent as much as $400 billion, all of which will be added to the debt of the country and all of which will be disproportionately paid by middle-income taxpayers of this country.

Not only will the middle-income taxpayers have to pay that debt of some $400 billion, but they are asked to pay a disproportionate share of that debt through interest rates on their credit cards. The wealthy of this country will not pay 19 percent and 20 percent to use their Visa card or their Master Card because they in fact will pay off their credit card debt through the use of home equity loans or personal savings. But the middle-class individual that has no ability to pay off those credit card debts will now find because of a lack of competition among the largest credit card issuers in this country that there will be no decline in interest card rates in this country, and as a result of that they will have to make up for all of the criminal activity, all of the bad business judgments, all of the gambling that the savings and loan and the banks did with their savings by having to pay 19 percent on their credit cards.

We ought to pass the D'Amato bill. We ought to index the credit card interest rates to what the Fed is doing. The Fed has lowered the interest rates four times, yet credit card interest rates have not budged from their 20-percent rates.

PRIVATIZATION PROVISIONS OF H.R. 2100

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

Mr. MORRISON. Mr. Speaker, later today the House will consider the conference on defense authorization for fiscal year 1992. Included in the report accompanying the bill is language on the privatization of Department of Energy waste management and environmental restoration programs.

The Energy Department faces a monumental task in cleaning up the legacy of over 40 years of nuclear weapons production. The folks I represent at Hanford welcome this challenge. Great changes are taking place at Hanford and other places as we focus on a new environmental mission.

I'm convinced that privatization of some of this work can help drive down costs to taxpayers and speed up the process. But there's something missing from the report that will have to be a necessary element of any new private sector initiatives: A guarantee of continuity for the working men and women at Hanford and elsewhere.

Mr. Speaker, I applaud the sterling efforts of organized labor in my State to take the lead on this most important aspect of the environmental mission. Working with organized labor, I have attempted to ensure that the labor stability we've worked long and hard for at Hanford is not lost as the mission changes. There simply can be no other way. And the request is simple: We ask that existing labor agreements be honored and enforced where they apply today.

The bottom line is job stability and family survival. We can't change the rules of the game without protecting the working men and women, their families and their communities, from unnecessary disruptions. And we can do our best job only by employing the skills of our dedicated long service work force.

A MESSAGE BORN OF FRUSTRATION, UNEMPLOYMENT, AND ANGER

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

Mr. TAUZIN. Mr. Speaker, on Saturday the voters of Louisiana delivered a powerful message to America. By a vote of 61 percent to 39 percent, the voters of Louisiana rejected a messenger of nazism and racism. But make no mistake about it, while we rejected the messenger, a clear majority were attracted to the message. It is a message born out of frustration, unemployment, and anger and it is one this Congress and this Nation ought to listen to and heed. It is an irony but it is true. Louisiana last Saturday in its election received more help from Members of this Congress than we have gotten for the past 8 or 9 years of our depression. Our shrimping families are still devastated by environmental policies on TED's. Our workers are still unemployed in the oil patch after 8 or 9 years of depression. That anger and frustration is still there.

Make no mistake about it, there is a David Duke hiding under the sheets in every hometown in America. And if we allow the depression of Louisiana to become the depression of America, beware. The warning signs are up. This race, this battle is not yet over. It can happen to America as it happened in Germany.

We have stopped it for the time being in Louisiana. But we will need your help, and we all need to be aware that it can happen yet in our great country.

CONGRESS MUST REEXAMINE ITS TAX AND SPEND POLICIES

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

Mr. JAMES. Mr. Speaker, the election last Saturday and the message carried by David Duke should demonstrate to Members clearly what this Congress has not done and what the American people think about us in relationship to our policies. In fact, if we listen to virtually every Democrat who is discussing running for Congress today, they almost sound like Republicans in saying that we cannot afford this tax and spend approach. We repeatedly hear that from all of the candidates, regardless of where they come from or what their point is.

I think this Congress is going to have to look at our tax and spend strategy, and I think we are going to have to reexamine the 1986 Tax Code and examine what we can do in this House in a bipartisan way to see whether or not and to what extent we can change the capital gains treatment. Otherwise we are preventing housing from being built,

we are preventing business from competing with foreign businesses. We must examine it.

□ 1220

Likewise, we must examine our policy toward taxing the average person's deposit in the bank. There is no excuse for paying taxes on that portion, for interest that is inflation, simply no excuse for it at all.

Why should the Government benefit from its unwise tax-and-spend policies and simultaneously tax the person for a small amount of interest that he receives in the bank for that portion that is allocated or should be allocated for inflation?

INTRODUCTION OF RESOLUTION CALLING FOR COMPREHENSIVE, COORDINATED STRATEGIES TO ATTAIN NATIONAL GOALS

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

Mr. THORNTON. Mr. Speaker, later today, more than 100 of my colleagues will join me in introducing a resolution calling for comprehensive and coordinated strategies to address the remarkable challenges and opportunities which have been presented by our rapidly changing world. We need to provide leadership and vision to attain our national goals of economic and military strength, as a foundation for remaining the greatest nation in support of human dignity, freedom, and democratic ideals.

Many of my colleagues and I have met frequently to outline strategies that would address our present needs as successfully as those used to rebuild Europe following World War II. Among those who participated in our weekly work groups were several strong members of our freshman class—JIM BACCUS, JOAN KELLY HORN, BILL BREWSTER, TOM ANDREWS, JIM MORAN, and many others.

My colleagues BARBARA-ROSE COLLINS and TIM ROEMER deserve very special recognition for their efforts in moving this resolution forward.

I would also like to acknowledge the contribution of my uncle, Witt Stephens, who in the summer of 1989 suggested that my campaign for Congress might consider the importance of forging partnerships between the public and private sectors to rebuild our infrastructure; to provide education and training to our citizens and work force; and to become more competitive in providing jobs and opportunities for people. He suggested that such a strategy was the only way we could tackle the problems of poverty and hopelessness, which have led to alienation, drug abuse, and crime.

With the fall of the Berlin Wall a few months later, our Nation was presented an historic moment in time which called for a redirection and refocusing of our resources to meet the challenges of a rapidly changing world. I began to advocate a Marshall Plan for America, a comprehensive and dynamic strategy to make our Nation strong at home.

I believe this House has an extraordinary opportunity to provide the vision and leadership which today's resolution calls for. Mr. Speaker, I sincerely request that the resolution be brought up for consideration by the House at the earliest moment possible.

INTRODUCTION OF THE REAL ESTATE RECOVERY ACT OF 1991

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

Mr. GUNDERSON. Mr. Speaker, no doctor in America would consider providing continuous blood transfusions to a patient without eventually sewing up the wound. Yet, that is exactly what this Congress will be asked to do later this week when we will consider providing anywhere from $20 billion to $80 billion in new capital for the Resolution Trust Corporation. That without getting at the real disease, only treating the symptoms.

I suggest to you that it is throwing more money down a rathole after the $150 billion of taxpayer funds we have already sent into that black box.

Therefore, I and a number of my colleagues will be introducing today legislation known as the Real Estate Recovery Act of 1991, and we will tie that whole package to recapitalization of the Resolution Trust Corporation. The intent is to restore value to devalued residential and commercial real estate in this country. It is to provide incentives for banks to make residential loans and to give individuals the ability to obtain residential home mortgage loans. It is to prevent the Government from continuing to dump acquired property through FDIC or RTC onto the market at less than 70 cents for the dollar in terms of value, and in the process destroying the integrity and value of every residential home mortgage and every loan portfolio in this country.

If this Congress wants to get this economy moving and if we want to save the taxpayers the money that is going through the rathole of the RTC today, we ought to pass this comprehensive package this week or pass nothing at all.

THE BANKS ARE ROBBING THE PEOPLE

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

Mr. ACKERMAN. Mr. Speaker, tell me I am wrong, but the world is upside down, and the whole country is standing on its head.

The President comes off the golf course, and he tells us there is no recession, the economy is just sluggish. Look out the window, he is right: hundreds of thousands of people are up to their esophagus in slugs.

The President comes off of his boat to tell us prosperity is just around the corner, do not worry, go shopping. You try to buy a winter coat, and the credit card company wants 21 percent.

I remember in Brooklyn, Vito went to jail for charging 20 percent. Now look what is happening. The people are crying, so the President, in a kind and gentle way, whispers to the banks, "Cut the consumer interest rates." Now what happens? The Congress makes a mistake, a huge mistake, and it thinks the President meant what he said, so it reads his lips and it says, "Lower the consumer interest rates."

Now, the banks start crying, and the President sees the error in his ways, because it is so hard to borrow money and to mark it up 20 percent, so the President goes out, and what does he do, he invokes the name of Vito. You thought Vito was in jail? No, Vito is not in jail. Vito is alive and well in the White House. He is in the same business as the President.

Mr. Speaker, the world is upside down. Call the sheriff. The banks are robbing the people.

INTRODUCTION OF IDEA: INCOME-DEPENDENT EDUCATIONAL ASSISTANCE

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

Mr. GEKAS. Mr. Speaker, Members of the House, it is no secret that the huge deficit facing our country has a lot to do with the dampening of its economy in stopping productivity in our Nation.

But when you add to it the scandal of student loans that have remained unpaid for so long, perhaps 3 billion dollars' worth of unpaid student loans, then you can understand the massive problem that we have in our Nation.

What we intend to do, many of us, is to support the legislation that has been introduced by the gentleman from Wisconsin [Mr. PETRI] called IDEA, income-dependent educational assistance, whereby, when a student loan is advanced and that individual finishes education and begins taking part in the economy of our country as a professional, that through the IRS collection methodology that student loan will be paid back as part of the income tax return. That is a good idea, and we ought to be supporting it.

We will be fostering student loans and protecting the taxpayers perhaps to the tune of $1 billion per year and

guaranteeing that the loans will be repaid.

CONGRESS MUST GUARANTEE HEALTH CARE FOR ALL

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

Mr. WISE. Mr. Speaker, on Friday I was in the home of Jeremy, a 10-year-old boy with juvenile rheumatoid arthritis from Charles Town in Jefferson County, WV. He was 3 when he first got sick.

Since his father had just started a new job, they had no health insurance. At the family clinic, the doctor said that he usually put children this sick in the hospital, but he knew that they could not afford it, so he had them come to his office every day.

When Jeremy was in the first grade, he was hospitalized for pneumonia complicated by the medications he was taking. His medical bills were $15,000 that year while the family income was $18,000.

The family could not afford insurance, and the small company that his father worked for could not provide coverage. Insurance was so important, health insurance, that his father took a 20-percent pay cut to get a new job that did have insurance, but because the company has had to change carriers twice in the last 2 years, you guessed it, the new policies do not cover preexisting illnesses for the first year, and that means that for the last 2 years Jeremy has been without insurance coverage.

Now, the premiums have skyrocketed, the benefits have plummeted, and the company must look again for a new health insurance carrier. That means another year of no coverage for Jeremy.

Mr. Speaker, how many more years must Jeremy wait for medical coverage? The time is now for this Congress and this administration to take action and guarantee access to health care for Jeremy and all U.S. citizens.

DOONESBURY ATTACKS ARE McCARTHYISM

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

Mr. OXLEY. Mr. Speaker, I rise today to praise the Columbus Dispatch and the Dayton Daily News for their decision not to run the current series of Doonesbury comic strips slandering the Vice President of the United States. I believe that this was the only responsible course to take under the circumstances.

Mr. Speaker, I am disappointed that two other major daily newspapers in the State, the Toledo Blade and the Cleveland Plain Dealer, have chosen, in my estimation irresponsibly, to run that strip.

Mr. Speaker, Gary Trudeau expects to be taken seriously as a social commentator and political satirist. However, his latest effort to malign the administration and the Vice President, who I remind you is presiding officer of the other body, should be rejected for its dishonesty and maliciousness.

Of course, Quayle-bashing by the political cartoonists and the rest of the establishment media is nothing new, but this harassment represents a new low.

To impugn the character of a man through personal attacks and the indiscriminate use of unsubstantiated allegations is McCarthyism by definition. Finally, relying on the old thoroughly discredited accusations of an admitted drug felon demonstrates an utter lack of imagination. It is mean-spirited, it is McCarthyist, and it is not amusing.

TIME TO REAFFIRM PEACE AND DEMOCRACY IN YUGOSLAVIA

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

Mr. ROHRABACHER. Mr. Speaker, the American people and people around the world are justifiably horrified when they see Serbian troops of the Yugoslavian Army fighting its way through the rubble in Vukovar and see the continuing destruction of Dubrovnik, an ancient city that is peopled by individuals, by citizens, by corporations who want nothing more than to live in peace and harmony and to live in democracy and to have their own destiny in their hands, yet they are suffering a genocidal attack by the Serbian armed forces, officially the Yugoslavian Army. This bloodletting was set in motion by a speech by the Secretary of State.

This is what happens when the United States sides with stability over freedom. We get neither stability nor freedom. That is what happens when we make deals with the Communist Chinese, give them most-favored-nation status after they have slaughtered their own people in Tiananmen Square. We do not get stability. We do not get freedom.

Mr. Speaker, it is about time that this administration and this Congress and the United States reconfirm itself to its fundamental principles of democracy and freedom, not only for the American people, but for people everywhere, and then we really will have a new world order and peace and stability will be at hand.

GEN. COLIN POWELL REAFFIRMS U.S. COMMITMENT TO ASIA

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

Mr. DURBIN. Mr. Speaker, there is an alarming disclosure this morning from Tokyo. The Chairman of the Joint Chiefs of Staff, Colin Powell, has announced that despite budget cutbacks at the end of the cold war, the United States will maintain its military commitment to the defense of Japan.

In a meeting with the Defense Minister, Mr. Miyashita, General Powell said that though events had changed across the world, the United States would still maintain its defense commitment in Asia.

The people of the United States should be aware of the fact that for every $5 spent by American taxpayers for our Nation's defense, the Japanese citizen spends $1. The difference in that amount being spent by each citizen is invested in Japan in their own nation, in its schools, in its manufacturing capacity, and could account, at least partially, for the fact that Japan is emerging as one of the economic superpowers of the world.

Over the last decade, the United States taxpayers have spent almost $40 billion to defend Japan. Over 50,000 American troops are stationed in Japan for its defense.

I would have to say to the administration and to General Powell, not only is the cold war over, but World War II is over as well.

We can and should maintain our alliances in Europe and Asia, but the United States taxpayers can no longer afford to underwrite the defense of the world. Protecting Japan with United States servicemen may be important to President Bush, but protecting American families and taxpayers should be more important.

THE CREDIT CARD CRUNCH

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

Mr. WALKER. Mr. Speaker, in response to the gentleman who spoke just before me, I think what we want to do on the 50th anniversary of Pearl Harbor is propose the rearming of Japan.

I am sometimes astounded by what I hear in the House.

Mr. Speaker, I am also astounded by some of our colleagues who suggested today that what we ought to do is proceed with the credit card interest legislation. They have to be blind to the damage that has already been done and that which will be done.

First, middle-class Americans will be the big losers. About 70 million of them are going to lose their access to credit cards and their access to credit.

Second, the banks will be decapitalized by billions of dollars, meaning a greater likelihood of finan-

cial collapse and more taxpayer bailouts.

The stock market looked at this crazy idea last week and promptly suffered its fifth largest drop in history.

We are in a major economic problem. We have major economic troubles in this country. The gang that could not bank straight here in the Congress now wants to tell the other banks in the country how to mismanage their affairs.

The credit card legislation should be pulled off our calender before more damage is done, that is unless, of course, the real goal in all this is to utterly destroy the Nation's economy.

THE CRIME BILL IS NOT MAGIC BULLET

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

Mr. BROOKS. Mr. Speaker, even though it seems like only yesterday, it has already been four weeks since we passed H.R. 3371, the Omnibus Crime Control Act of 1991. It was not an easy task for either the committee on the judiciary or the full House to arrive at that point. H.R. 3371 is the product of almost two dozen days of hearings on the issues involved in that bill. The committee drew on that hearing record as well as on its work during previous congresses in order to fashion its provisions. Then, during four days of markup on H.R. 3371 in September, the committee considered over 100 amendments and adopted 60 of them. Finally, the full membership devoted 14 hours of its valuable time over 3 days in order to produce the final version of H.R. 3371.

Mr. Speaker, as the Members know, the other body earlier this year completed action on an equally ambitious crime bill. Normally, the next step in this process would be for the two chambers to appoint conferees and meet to reconcile the differences in the two bills. Speaking for myself, I must say that nothing would make me happier than to be doing just that right now. But, regrettably, we are not, and the reason for that is simple: Under parliamentary procedure, it is the responsibility of the other body to initiate the naming of conferees, and Members of the minority of the other body have blocked efforts to do so.

Mr. Speaker, the President says he wants a crime bill and I'll take him at his work. But if he is truly interested in getting a piece of legislation on his desk, he ought to pick up the phone and call some of his soldiers in the other body and tell them to stop their obstructionist tactics. So far, he's been content to make speeches at fundraisers blasting the Democrats for not jumping on the crime bill wagon. Well, that wagon has no wheels and the vandals seem to be wearing sweatshirts bearing the image of an elephant.

Mr. Speaker, as much as I believe that enactment of a crime bill would be a valuable step for us to take, I would like to warn against overselling the product. The truth of the matter is that, no matter how tough or comprehensive the crime legislation is that we pass, it will not be a panacea. Anyone who suggests that just passing another Federal law is going to arrest our national crime wave by itself, is fooling the public. The simple fact is that according to the Department of Justice's Bureau of Justice statistics, 95 percent of our serious crime cases are handled in State courts. H.R. 3371 may help us make a dent on those 5 percent or criminal cases that are the responsibility of the Federal criminal justice system. But, it is no magic bullet.

GARY TRUDEAU COMIC STRIP: A CHEAP SHOT

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

Mr. FRANK of Massachusetts. Mr. Speaker, I am a great believer in untrammeled free expression of controversial ideas. But I think some care has to be given to the appropriateness of the forum.

Mr. Speaker, Gary Trudeau's attacks on the Vice President, in my judgment, are a misuse of public debate. A comic strip is no place to be making serious charges. We the public are in no position to evaluate it, no evidence can be presented. One need not be in agreement with the Vice President's political position to be unhappy with the use of a comic strip in a very irresponsible and unfair manner to impugn his integrity.

If Trudeau has any evidence that should be presented in an appropriate forum, let us see it. But using a comic strip in this fashion is a cheap shot and does not deserve to be continued.

UPDATE ON THE SITUATION IN YUGOSLAVIA

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

Mr. WOLF. Mr. Speaker, Congressman CHRIS SMITH and I visited Yugoslavia in the first week of September. We were in Vulovar, which was under attack at that time and is now a city that, if it has not already fallen, is now falling. I would hope that the administration would speak out personally, not with the State Department spokesman, but the President, personally condemning what is taking place in Yugoslavia; second, demanding that the Yugoslavian Army return to the barracks; third, appointing a special envoy not from the United Nations but from the U.S. Government, perhaps under Secretary Eagleburger, to go to Zagreb, go to Belgrade, to negotiate a peace, a cease-fire whereby these deaths stop.

In Dubrovnik, there was a boat that took out women, children and elderly people, and some died on the boat.

What is happening in Yugoslavia is a disgrace. Dubrovnik has no military purpose to it, yet the Yugoslavian Army shells it.

I would hope and pray that the administration today would send an envoy speaking for the President to go to both Belgrade and Zagreb and negotiate a cease-fire.

FRIDAY'S STOCK MARKET DROP

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

Mr. MARKEY. Mr. Speaker, last Friday, the stock market dropped 120 points, it's fifth largest drop in history.

This morning, the market appears to be rebounding slightly.

So what caused this seesaw movement in the market? Did Wall Street panic when Washington started talking about capping the usurious credit card interest rates being charged to consumers?

The answer is "No." While nervousness over a credit card cap might explain the decline in bank stocks, blaming the credit card proposal for the 120 point stock market drop is like saying that 2 plus 2 equals 22. It just doesn't add up.

The credit card explanation can't account for Friday's broad-based drop in biotechnology, pharmaceutical and transportation stocks. While the big banks may cynically invoke Friday's market drop in order to head off congressional action on the credit card proposal, this body should be under no illusion that reigning in excessive credit card interest rates will trigger a market crash.

Investigations of the 1987 and 1989 market drops, discovered that stock declines resulted from underlying macroeconomic conditions. We also learned that adverse short-term factors are often exacerbated by mechanical factors related to the operation of the markets which artificially increase volatility—turning a market decline into a potential free fall.

Such mechanical factors may well have come into play last Friday. Friday was a double witching day on which certain stock index derivative products expire at the close, a fact which historically increases market volatility. That's why I have been urging a change to opening-price settlement for years.

But while short-term and mechanical factors are important, we must also recognize that the underlying cause of Friday's market plunge was a painful jolt of realization in our financial mar-

kets that the Bush recession is far from over. Wall Street bears concluded that the Bush administration's rosy recovery scenario was mostly bull.

WE NEED A NEW DEPARTMENT OF THE ENVIRONMENT

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

Mr. BOEHLERT. Mr. Speaker, the United States stands alone among developed nations in the world in not having a Cabinet-level or ministerial-level department of the environment.

Clearly, the American people have told us repeatedly that the environment is one of their major concerns. They want, and so does Congress on a bipartisan basis, a Cabinet-level department of the environment.

Mr. Speaker, we are this close to having it now. After months and months of hard work and negotiation on a bipartisan basis, the Senate has passed the Glenn-Roth bill. Now it is up to the House to act.

Mr. Speaker, I would urge the chairman of the Committee on Government Operations to heed the call of a broad bipartisan consensus in this House and bring to the floor for immediate consideration legislation to elevate the Environmental Protection Agency to Cabinet-level status.

Mr. Speaker, the American people desire it, and they deserve it.

ONCE AGAIN THE CHINESE GOVERNMENT HAS STIFFED THE UNITED STATES

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

Mr. RICHARDSON. Mr. Speaker, despite the best efforts of Secretary of State Baker, once again the Chinese Government has stiffed the United States. Secretary Baker's trip has been a failure. He comes back with nothing.

Mr. Speaker, this means that we cannot give the President a blank check on foreign policy toward China. What did we want? We wanted the Chinese to give us some concessions on human rights, to release the 800 or so prisoners from Tiananmen Square. What did we get? Nothing.

We wanted restraint from the Chinese in their missile sales to Iran and Syria. What did we get? Just words.

Mr. Speaker, we cannot continue to give the Chinese MFN status, treat them like a friend, give them consultation on issues relating to the Soviet Union and Cambodia, and yet they continue once again to stiff us.

Mr. Speaker, the Chinese leadership is laughing at the United States and the Congress today. Mr. Speaker, we cannot continue to give a blank check to President Bush on his foreign policy toward China.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. MONTGOMERY). Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken at the end of legislative business today.

□ 1250

RECOGNIZING THE CONGRESSIONAL HIGH SCHOOL ART COMPETITION

Mr. KILDEE. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 201) expressing the sense of the House of Representatives that the people of the United States should recognize "An Artistic Discovery", the congressional high school art competition.

The Clerk read as follows:

H. RES. 201

Whereas the arts embody the soul of our national heritage and successfully blend the vast array of our Nation's diverse cultures and experiences into a living representation of our national identity;

Whereas since 1982 the Congressional High School Art Competition has successfully displayed the art work of talented high school students in the Capitol corridor, symbolizing our Nation's youthful artistic energy and passion;

Whereas this annual event focuses the House of Representatives' attention on the great reservoir of artistically-talented young people throughout the United States, and brings together Members of Congress and their younger constituents to share a deeper appreciation of the importance of artistic expression;

Whereas this event captures the imagination and creativity of young Americans and provides Members of Congress and the public the opportunity to witness the contemporary concerns of these young artists;

Whereas this event symbolizes the combined efforts of art educators, Congressional offices, local business, and most importantly students and their families, in running a successful art contest;

Whereas this competition demonstrates the importance of the arts in family life by encouraging students and their families to work together, and enabling family members to participate in the opening ceremonies in Washington, D.C.;

Whereas since 1982 more than 375,000 high school students have participated in over 2,500 locally-run competition, and for many students this is their 1st opportunity to publicly exhibit their work;

Whereas businesses work with Congressional staff to enhance and promote the success of local competitions, and in many cases such businesses help to bring the winning students with their parents to the Washington D.C. unveiling;

Whereas the winning art entries create a colorful panorama in the Capitol corridor for Members of Congress, staff and thousands of visitors, illustrating our Nation's diversity in a building which is symbolic of our unity;

Whereas the support which students gain through Congressional recognition and final approval by the Architect of and Capitol and renowned curators may encourage them, to develop their talents and to pursue further arts-related endeavors; and

Whereas the Congressional Arts Caucus highlights the many positive and educational aspects of the arts through the Congressional High School Art Competition: Now, therefore, be it

Resolved, That is the sense of the House of Representatives that the people of the United States should recognize—

(1) the 10th anniversary of "An Artistic Discovery", the Congressional High School Art Competition, and

(2) the success of such Competition in—

(A) encouraging the creative endeavors of our Nation's young artists, and

(B) forging strong working relationships among the Congress, businesses, and arts community towards the ultimate goal of providing opportunities for high school students to express their artistic talents.

The SPEAKER pro tempore. (Mr. MONTGOMERY). Pursuant to the rule, the gentleman from Michigan [Mr. KILDEE] will be recognized for 20 minutes, and the gentlewoman from New York [Ms. MOLINARI] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Michigan [Mr. KILDEE].

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

Mr. Speaker, House Resolution 201 introduced by the gentleman from New York [Mr. WEISS] pays tribute to the 101th anniversary of "An Artistic Discovery," the congressional high school arts competition.

Every year Members of Congress sponsor high school art competitions in their districts, and the winners of these competitions have their work displayed for 1 year in the Cannon corridor leading to the Capitol.

These works of art exemplify some of the greatest achievements by young artists today.

Over the past 10 years, 375,000 high school students have participated in over 2,500 locally run art competitions.

As a former teacher, and as chairman of the Elementary, Secondary, and Vocational Education Subcommittee, I strongly support activities designed to encourage our youth and help them realize their full potential.

This competition does this by nurturing a new generation of talent through much deserved public recognition.

The competition has always enjoyed strong bipartisan support and I know of no objection to the resolution.

I reserve the balance of my time.

Ms. MOLINARI. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, I also rise today in support of House Resolution 201, expressing the sense of the House of Representatives that the people of the

United States recognizes the congressional high school art competition as "An Artistic Discovery."

Since the first competition in 1982, 375,000 students from across our great Nation have competed for the honor of having their artwork hung in the Cannon corridor leading to the Capitol—to be viewed by Members of Congress, staff, and thousands of visitors who come to Washington every year.

As a member of the Congressional Arts Caucus and someone interested in education, I would like to believe that many of these young people, encouraged by the recognition they receive through participation, will eventually pursue careers in the arts.

Mr. Speaker, when we talk of educational reform, we often forget the arts—and this is a mistake. In every school across the United States there are students who have difficulty in school, who find math, English, and science problematic. Yet, these same students have an opportunity to shine through their participation in art classes. The feeling of self-esteem gained through success in this one class can provide these students with the motivation to keep on trying in other classes where they do not feel as confident.

I use this example to illustrate the importance of art in a student's broad educational experience. The competition we honor here today pays tribute to students, their parents and art instructors in this country and provides them with an incentive to continue their efforts. By holding this competition each year, we are not only providing students with a place to display their artwork, we are supporting education.

I urge any of my colleagues who have not taken the time to walk the Cannon corridor and view the wonderful works of art produced by these students to do so. It is certainly "An Artistic Discovery."

PASSAGE OF RESOLUTION RECOGNIZING "AN ARTISTIC DISCOVERY," THE CONGRESSIONAL HIGH SCHOOL ART COMPETITION

Mr. WEISS. Mr. Speaker, today the House will pay tribute to a truly unique activity of Congress on behalf of the arts by passing House Resolution 201, a resolution recognizing "An Artistic Discovery"—the Congressional art competition for high school students.

For what has now been 10 years, Members of Congress have held local art competitions for high school students in their districts and have brought these winning works back to Washington to be displayed in the Cannon corridor leading to the Capitol. This past year, nearly 250 Members participated. Since the competition's start in 1982, more than 375,000 high school students have participated in over 2,500 local art competitions. Preparations for the 11th annual competition are already underway in many districts, and we expect next year's competition and exhibition to be greater than ever.

While the competition helps to ensure that Members, staff, and thousands of visitors will enjoy viewing the extraordinary works created each year by young artists, congressional support for this activity has meant a great deal more. By sponsoring these local art competitions, Congress as an institution has shown its support for the arts throughout the Nation and has fostered a greater understanding of education in the arts. Individual Members have learned a great deal about arts activities within their districts—especially for young people—and have joined with local educators, businesses, school administrators, local artists, and families in executing successful competitions.

But most importantly, through "An Artistic Discovery," Congress has played a direct role in fostering the vitality of our national culture and in nurturing a new generation of artists. The opportunity for young artists to publicly display their work—particularly within the U.S. Capitol—can help to give the support and recognition needed for further development of their talents.

While the students gain much from participating in "An Artistic Discovery," I cannot help but feel that we who view the works gain the most. We gain an insight into the hearts and minds of high school students in every corner of the country. But, moreover, we learn more about our own culture and about our own humanity by experiencing the vision, passion, and emotion expressed by these young artists.

By passing this resolution, Congress will once again prove its commitment to this wonderful, bipartisan project and, in so doing, will demonstrate its support for the artistic education and achievement of young people throughout the Nation.

Mr. GOODLING. Mr. Speaker, I rise in support of House Resolution 102, expressing the sense of the House of Representatives that people of the United States should recognize "An Artistic Discovery," the congressional high school art competition.

For many years I have participated in the congressional art competition and have been truly impressed by the fine quality of artwork produced by my young constituents. In fact, their work is so good that I hang the paintings produced by the three runners up in my front office, where they often receive compliments from visitors.

As a former educator, I believe art is an important component in any child's education, tapping into their creative nature and providing them with a manner of expressing themselves that often cannot be duplicated in other classes. I, therefore, believe it is important for us to support the arts—and to support this contest.

I urge my colleagues to support House Resolution 201. By doing so, we are letting these students, their teachers, and parents know their efforts are appreciated.

Mr. RITTER. Mr. Speaker, I rise today to express my support for House Resolution 201, and offer my appreciation to the Baum School of Art, in my district, for its participation in the Artistic Discovery competition for the past 10 years.

As a board member of the Baum School of Art, and the honorary chairman of their annual Artistic Discovery competition, I am continually impressed at the level of artistry and creative spirit that our young people have achieved.

I would like to commend the Lehigh Valley High School art teachers who have done a remarkable job in cultivating the talent and encouraging the artistic desire of our young people. And, I applaud the judges involved in the competition, who as artists in their own right, have set a standard of excellence in the world of art. And, of course the participating students, many of whom have gone on to creative careers and achievements in the arts, deserve commendation.

I would also like to give my personal thanks to Rose and Rudy Ackerman, whose yeoman efforts over the years have made the Baum School of Art an educational facility second to none.

Their splendid new quarters on 5th and Linden, in downtown Allentown, reflects the commitment on the part of the Lehigh Valley community to giving the students and teachers the best possible learning environment.

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

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan [Mr. KILDEE] that the House suspend the rules and agree to the resolution, House Resolution 201.

The question was taken; and, two-thirds having voted in favor thereof, the rules were suspended and the resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. KILDEE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Resolution 201, the resolution just agreed to.

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

There was no objection.

LIBRARY REPRODUCTION REPORTING REQUIREMENTS

Mr. BROOKS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1612) to amend section 108 of title 17, United States Code to eliminate the library reproduction reporting requirement.

The Clerk read as follows:

H.R. 1612

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 108 of title 17, United States Code, is amended by striking subsection (i).

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas [Mr. BROOKS] will be recognized for 20 minutes, and the gentleman from California [Mr. MOORHEAD] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. BROOKS].

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

Mr. Speaker, H.R. 1612 eliminates the present library reproduction reporting requirement under section 108(i) of the Copyright Act. In passing the general revision of the copyright laws in 1976, Congress added a requirement of a recurring 5-year report to the library reproduction provisions of the Copyright Act. This was included as a mechanism for Congress to assess whether an appropriate balance between the rights of creators and the needs of library users had been struck in enacting section 108 of the Copyright Act.

The recurring report mechanism of section 108 has fulfilled its purpose of informing Congress about the practical operation of the library reproduction provisions and the experience of copyright owners and users under the law. Since the desired statutory balance has been achieved, Congress can dispense with further automatic reports—and save the taxpayers' money—by eliminating that automatic reporting requirement.

Mr. HUGHES, who chairs the Subcommittee on Intellectual Property and Judicial Administration, and Mr. MOORHEAD, the ranking minority member, deserve credit for bringing this bill forward. I urge the Members to support H.R. 1612.

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

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

Mr. Speaker, I would like to commend our subcommittee chairman, the gentleman from New Jersey [Mr. HUGHES] for his hard work and guidance in the copyright area. I would also like to thank and commend the chairman of our full committee, the gentleman from Texas [Mr. BROOKS] and our ranking Republican member, the gentleman from New York [Mr. FISH] for their effort and support of the work of our subcommittee. In 1976, we were not sure how the new copyright law was going to affect copyright owners and the needs of libraries and other users. So we directed the Register of Copyrights to monitor our intended statutory balancing of the rights of creators and the needs of users and report to Congress every 5 years on the problems, if any. Well, the last two reports have concluded that the 1976 law is working fine and after 12 years of experience we really don't need the third report. I think it's clear that these reports have served their intended purpose and they are no longer necessary. A third report would be burdensome to the Copyright Office and an unnecessary expenditure of taxpayer money. Therefore, H.R. 1612 would eliminate the requirement for a third report and I urge its adoption.

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

Mr. BROOKS. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey [Mr. HUGHES], the distinguished chairman of the subcommittee on Intellectual Property and Judicial Administration.

Mr. HUGHES. Mr. Speaker, I will make several very brief comments in support of H.R. 1612, a bill that will save the taxpayers money—close to one-half million dollars—by eliminating a statutory report requirement about library reproduction of copyrighted works. The bill simply deletes paragraph (i) of section 108 of the Copyright Act of 1976, which established the recurrent 5-year review as part of the 1976 general revision of the copyright laws.

Currently, section 108(i) directs the Register of Copyrights to prepare and file a report every 5 years "setting forth the extent to which this section has achieved the intended statutory balancing of the rights of creators, and the needs of users." The Register of Copyrights filed reports in 1983 and 1988.

The 5-year reports submitted by two Registers of Copyrights fulfill the original congressional charge. Congress has now had more than 12 years of experience under the library reproduction statute, and it is clear that Congress struck a fair balance between public and proprietary interests.

Enactment of H.R. 1612 will in no way change the substantive balance incorporated in the library photocopying provisions of the Copyright Act.

The Register of Copyrights—Ralph Oman—has informed us that the publishing and library communities agree that the section 108(i) report could be eliminated. Of course, if any legislative issues arise about library reproduction of copyrighted works, we can ask the Register to file a report, and he has assured us that he will do so.

Let us save the taxpayers' several hundred thousand dollars by passing this simple, noncontroversial bill.

I would like to commend the ranking minority member of the subcommittee, the gentleman from California [Mr. MOORHEAD], for his support of the measure. I also thank the Register of Copyrights and his able staff for bringing this matter to the subcommittee's attention.

There is no known opposition to the bill. I urge your undivided support.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas [Mr. BROOKS] that the House suspend the rules and pass the bill, H.R. 1612.

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

A motion to reconsider was laid on the table.

INCARCERATED WITNESS FEES ACT OF 1991

Mr. BROOKS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2324) to amend title 28, United States Code, with respect to witness fees.

The Clerk read as follows:

H.R. 2324

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 "Incarcerated Witness Fees Act of 1991".

SEC. 2. ELIMINATION OF WITNESS FEES FOR INCARCERATED PERSONS.

(a) IN GENERAL.—Section 1821 of title 28, United States Code, is amended by adding at the end of following:

"(f) An incarcerated person (other than a witness detained pursuant to section 3144 of title 18) shall be ineligible to receive the fees or allowances provided by this section.".

(b) CONFORMING AMENDMENT.—Section 1821(d)(1) of title 28, United States Code, is amended by striking "(other than a witness who is incarcerated)".

(c) TECHNICAL AMENDMENT.—Section 1821(d)(4) of title 28, United States Code, is amended by striking "3149" and inserting "3144".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas [Mr. BROOKS] will be recognized for 20 minutes, and the gentleman from California [Mr. MOORHEAD] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. BROOKS].

□ 1300

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

Mr. Speaker, H.R. 2324, the Incarcerated Witness Fees Act of 1991, responds to a recent decision of the U.S. Supreme Court which held that section 1821 of title XXVIII, United States Code, requires the payment of witness fees to any person, including a prisoner—who is required to testify at a Federal trial. The legislation clearly states that incarcerated persons who testify are ineligible to receive fees and allowances provided by law.

Congress provided witness fees—now at $40 per day—to defray the costs incurred by persons when the paramount needs of the judicial system take precedence over their work and other activities. This rationale obviously has no application to prisoners, whose food, shelter and activities are already paid for by the taxpayer. The only burden relating to prisoners who must appear in court is the one they have imposed on society through their crimes. They are undeserving of any additional benefit. I am also certain that most prisoners find promoting justice in the courtroom preferable to another day behind bars.

Under longstanding Government policy, incarcerated persons have not received these fees. Without this corrective legislation, however, the Supreme

Court's opinion could result in $8.3 million of taxpayer funds being transferred to prisoners each year in the form of witness fees. This would constitute an outrageous misuse of public funds.

Mr. HUGHES, chairman of the Subcommittee on Intellectual Property and Judicial Administration, deserves congratulations for bringing forward this sensible legislation. Mr. MOORHEAD, ranking Republican member of the subcommittee, also deserves credit for his work on this bill.

I urge the Members to support H.R. 2324.

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

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

Mr. Speaker, I rise in support of H.R. 2324, the "Incarcerated Witness Fees Act of 1991". This legislation is in response to the U.S. Supreme Court's recent decision in Demarest versus Manspeaker. In that decision the Supreme Court held that:

> 28 U.S.C. sec. 1821 requires the payment of witness fees to a convicted state prisoner who testifies at a federal trial pursuant to a writ of habeas corpus ad testificandum.

At the hearing held by the Subcommittee on Intellectual Property and Judicial Administration the U.S. Marshals Service pointed out in their testimony that if they are required to pay witness fees and related travel expenses to incarcerated individuals, the cost may be as high as $11.1 million annually. I see no justification for the Federal Government to have to bear these costs. Earlier this year the Appropriations Committee came to the same conclusion and for the second year in a row prohibited the payment of witness fees to incarcerated persons through the appropriations process. However, what is needed is a permanent solution to this issue, such as provided for in H.R. 2324. I would like to commend the chairman of the Subcommittee on Intellectual Property and Judicial Administration, BILL HUGHES, for his leadership on this issue. I would also like to commend our colleague from Kentucky, HAL ROGERS, who worked diligently on this issue not only via the appropriations process but in close cooperation with members of the judiciary committee as well. Mr. Speaker, H.R. 2324 is sound legislation and I urge my colleagues' support for it.

Mr. BROOKS. Mr. Speaker, I yield 17 minutes to the gentleman from New Jersey [Mr. HUGHES], chairman of the subcommittee.

Mr. HUGHES. Mr. Speaker, I thank the gentleman for yielding this time to me, and I want to congratulate him and the ranking Republican for their support of H.R. 2324.

Mr. Speaker, H.R. 2324, the Incarcerated Witness Fees Act, is a noncontroversial bill with bipartisan support which would correct an error in the statute providing for the payments of witness fees in the Federal court systems. This bill is necessary because on January 8, 1991, a unanimous Supreme Court in Demarest versus Manspeaker decided that present law requires payment of witness fees to a witness who testifies at a Federal trial pursuant to a writ of habeas corpus ad testificandum, despite the fact that the witness was an inmate at a State prison.

The Court came to this opinion by a technical review of the language of the statute in question—28 U.S.C. 1821—and despite a long history of a governmental policy of not paying incarcerated persons witness fees, dating back to the early 1800's.

As the Solicitor General pointed out in his argument before the Court, no prisoners were paid witness fees until 1826, when Congress passed legislation providing for witness fees for persons incarcerated as material witnesses. In addition to establishing a policy of paying witness fees to persons held as material witnesses, the 1826 legislation was important because it pointed out that incarcerated persons as a general class were not previously paid witness fees.

After a close review of the Demarest decision and the legislative history of 28 U.S.C. 1821, I believe that although the Supreme Court's decision was technically correct, the Congress never intended that prisoners, other than material witnesses be compensated on the same basis as ordinary witnesses. As a matter of fact, the Congress has already taken stopgap action to ban the use of fiscal year 1991 and prior year funds for payment of incarcerated witnesses in Public Law 102-27, the supplemental appropriation bill for fiscal year 1991 and in the fiscal year 1992 DOJ appropriation bill. This merely restates the former Government policy of not paying incarcerated persons except those detained as material witnesses which I believe is a reasonable policy. Witness fees serve to defray the costs of testifying that may be incurred as the result of time away from work or other activities. An incarcerated person has no costs associated with testifying in court. The taxpayer pays the prisoner's expenses. In the case of prisoner testimony, any costs associated with travel time or lost labor are borne by the taxpayer. It is not reasonable for the taxpayer to pay the prisoner for expenses that the taxpayer is bearing in the first place.

I would also emphasize to my colleagues that at $40 per day, in lengthy trials, the costs generated by prisoner's testimony could be significant. The U.S. Marshals Service states that about 7,200 prisoners are produced annually, and that the total estimated prisoner days spent on these writs is about 208,000. Based on these figures, the total projected cost for witness fees for prisoners would exceed $8.3 million annually. In addition, the U.S. Marshals Service estimates that the amount of funds expended for days in travel would range between $570,000 and $2.9 million. Therefore, the total annual cost resulting from the Demarest decision could reach approximately $11.1 million a year. Another potential, which the U.S. Marshals Service is unable to estimate at this time, is the additional expense and burden that would result from processing an entirely new class of witness fee recipients.

I, therefore, would strongly urge my colleagues to support the passage of H.R. 2324 so that we can permanently correct this anomaly and at the same time save the taxpayers a substantial sum of money.

Mr. DARDEN. Mr. Speaker, I rise in support of H.R. 2324, the Incarcerated Witness Fees Act of 1991. I would like to commend the gentleman from Texas and the gentleman from New Jersey for their prompt action in correcting the unacceptable situation created by the Supreme Court's decision in Demarest versus Manspeaker. Earlier this year, the Court held that, under Federal law, incarcerated persons must be paid witness fees for testifying in Federal court. As the chairman knows, this matter has been the subject of the legislative efforts of several Members of this body.

Mr. Speaker, to my knowledge, it has never been the policy of the U.S. Government to pay witness fees to prisoners, and I do not believe that this is the time to start. Nor do I believe that the Members of this body or the American taxpayers want to spend millions of dollars paying witness fees to prisoners in a time when we are struggling to find the resources to address the real needs of law-abiding citizens.

Mr. Speaker, the taxpayer pays for the food, clothes, housing, medical care, law libraries, and other privileges prisoners receive while they are incarcerated. We should not further burden the American taxpayer by paying a salary to prisoners in the form of witness fees. I urge my colleagues to join me in supporting H.R. 2324 which will specifically prohibit this unnecessary and unjustifiable expense.

The Supreme Court of the United States on January 8, 1991 in Demarest versus Manspeaker held that because the language of 28 U.S.C. 1821 does not clearly exclude incarcerated persons from receiving witness attendance fees, incarcerated persons are, therefore, eligible to receive witness attendance fees.

Passage of H.R. 2324 is necessary for three reasons. First, the people of our Nation find the idea of paying incarcerated persons a daily salary to testify in Federal court offensive. Second, while the Supreme Court found that Congress had not clearly stated its intent statutorily, it has always been the policy of the U.S. Government and the intent of the Congress that incarcerated persons not receive witness fees for testifying in Federal court. Third, the policy the U.S. Government has followed in the past represents a reasonable approach to the matter of witness attendance fees for incarcerated persons.

The average American believes that once it has been determined by judicial proceeding that a person is to be imprisoned because of a violation of law or that sufficient evidence of a violation of law exists to hold that person for trial, then it is enough that the taxpayer provide for the medical, housing, and nutritional needs of that incarcerated person. To pay an incarcerated person, who otherwise would remain in his prison cell or perform a routine prison job, to travel to a Federal court and testify in addition to paying his other expenses is, in a small sense, to make crime pay. Without some legislative response to the holding in the Demarest case, a person waiting for his criminal conspiracy trial, for example, would be paid to testify in the ongoing trial of his co-conspirator. The American public would find this result morally unacceptable.

The Court's holding in Demarest points out the need for a statutory clarification of Congress' intent regarding witness fees. The intent of the Congress in this matter is to be found in its acceptance of the longstanding Government policy regarding witness fees for prisoners. As the Tenth Circuit Court of Appeals held, and as the Solicitor General argued in his brief before the Supreme Court, the Government's policy of not paying incarcerated persons is longstanding, with origins dating as far back as the early 1800's. As the Solicitor General pointed out, no prisoners were paid witness fees until 1826, when Congress passed legislation providing for witness fees for persons incarcerated as material witnesses.

In addition to establishing a policy of paying witness fees to persons held as material witnesses, the 1826 legislation is important because it points out that incarcerated persons as a general class were not previously paid witness fees. The Government's early policy in this area is further evidenced by a U.S. Treasury ruling in 1899 establishing a practice of not paying witness fees to prisoners. During the many years that have passed since the establishment of the Government's policy regarding witness fees for prisoners, the Congress has shown its intent in this matter by refusing to fundamentally alter that longstanding policy.

Finally, the current Government policy of not paying incarcerated persons except those detained as material witnesses is a reasonable policy. Witness fees serve to defray the costs of testifying that may be incurred as the result of time away from work or other activities. An incarcerated person has no costs associated with testifying in court. The taxpayer pays the prisoner's expenses. In the case of prisoner testimony, any costs associated with travel time or lost labor are borne by the taxpayer. It is not reasonable for the taxpayer to pay the prisoner for expenses that the taxpayer is bearing in the first place.

I urge my colleagues to support H.R. 2324, and I again commend Chairman BROOKS and Mr. HUGHES for their swift action in this matter.

Mr. ROGERS. Mr. Speaker, I rise in support of H.R. 2324, and urge its passage.

I want to thank the Committee on the Judiciary, in particular Subcommittee Chairman HUGHES, and ranking minority member CARLOS MOORHEAD, for recognizing this problem, holding hearings, and moving this remedy to the floor.

As these gentlemen know, when asked to rule on whether prisoner-witnesses should be paid $40 per day for appearing in court, the Supreme Court ruled that nothing in the law specifically disallowed those payments.

Several of us in the House, including this gentleman, filed legislation to clearly prohibit those payments, as this bill would do.

Mr. Speaker, we should enact this bill for two reasons.

First, fact witness fees are intended to compensate individuals for their time, inconvenience, and lost income. It should be obvious that prisoners do not have time to give; their time belongs to the Government. And since they are seldom employed, there is no lost income to compensate.

Second, this bill would save up to $11 million that would otherwise be paid by the Department of Justice to prisoners for their testimony in Federal trials. I can assure you that the Justice Department can make better use of these funds.

In fact, as a stopgap, the fiscal year 1992 appropriations act for the Justice Department prohibits using current or prior year funds to pay witness fees. This limitation, however, would expire at the end of this fiscal year.

So we need to permanently change the code, to clearly disqualify prisoners from receiving these fees. This bill would do that.

I support the measure and urge its adoption.

Mr. PICKETT. Mr. Speaker, I rise in strong support of H.R. 2324, legislation to prohibit prisoners from receiving the per diem fee that is paid to witnesses who testify in Federal court. I commend Chairman BROOKS and Subcommittee Chairman HUGHES for their work to get this bill enacted so quickly.

The need for this legislation arose in January after the Supreme Court ruled in Demarest versus Manspeaker that 28 U.S.C. 1821 requires that all witnesses receive these fees unless they are a member of a group that is specifically excluded from the statute's coverage. Under current law, only deportable aliens are so excluded.

There is, of course, no evidence that Congress ever intended for prisoners to receive Federal witness fees, and the Circuit Courts of Appeal which previously considered the question refused prisoner requests for these fees. This result makes sense from a policy standpoint, and is certainly consistent with the longstanding purpose of these fees: To compensate private citizens for the time and expense they incur in testifying before the Federal courts. In the absence of this corrective legislation, the Congressional Budget Office has estimated that the Federal Government will spend $9 to $11 million per year on witness fees for prisoners.

Mr. Speaker, H.R. 2324 is very similar to legislation (H.R. 504) which I introduced on this issue shortly after the Demarest case was handed down. I am pleased that the problems resulting from Demarest will not be corrected, and I support this H.R. 2324 strongly.

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

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the motion offered by the gentleman from Texas [Mr. BROOKS] that the House suspend the rules and pass the bill, H.R. 2324.

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

A motion to reconsider was laid on the table.

AMENDING FEDERAL CHAPTER OF BOYS' CLUBS OF AMERICA

Mr. BROOKS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 525) to amend the Federal charter for the Boys' Clubs of America to reflect the change of the name of the organization to the Boys & Girls Clubs of America, as amended.

The Clerk read as follows:

H.R. 525

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

SECTION 1. NAME CHANGE.

The act entitled "An Act to incorporate the Boys' Clubs of America", approved August 6, 1956 (70 Stat. 1052; 36 U.S.C. 691 et seq.) is amended—

(1) in the title by striking "Boys" and inserting in lieu thereof "Boys & Girls";

(2) in the first section—

(A) by striking "successors," and inserting in lieu thereof "successors; and Gerald W. Blakeley, Jr., Boston, Massachusetts; Roscoe C. Brown, Jr., Bronx, New York; Cees Bruynes, Stamford, Connecticut; Honorable Arnold I. Burns, New York, New York; John L. Burns, Greenwich, Connecticut; Hays Clark, Hobe Sound, Florida; Mrs. Albert L. Cole, Hobe Sound, Florida; Honorable Michael Curb, Burbank, California; Robert W. Fowler, Atlantic Beach, Florida; Thomas G. Garth, New York, New York; Moore Gates, Jr., Princeton, New Jersey; Ronald J. Gidwitz, Chicago, Illinois; John S. Griswold, Greenwich, Connecticut; Claude H. Grizzard, Atlanta, Georgia; George V. Grune, Pleasantville, New York; Peter L. Haynes, New York, New York; James S. Kemper, Northbrook, Illinois; Plato Malozemoff, New York, New York; Edmund O. Martin, Oklahoma City, Oklahoma; Donald E. McNicol, Esq., New York, New York; Carolyn P. Millbank, Greenwich, Connecticut; Jeremiah Milbank, New York, New York; C. W. Murchison III, Dallas, Texas; W. Clement Stone, Lake Forest, Illinois, and their successors,"; and

(B) by striking "Boys" and inserting in lieu thereof "Boys & Girls"; and

(3) in section 3 by striking "boys" and inserting in lieu thereof "youth".

SEC. 2. CONFORMING AMENDMENT.

Paragraph (16) of the first section of Public Law 88-504 (36 U.S.C. 1101(16)) is amended by striking "Boys" and inserting in lieu thereof "Boys & Girls".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas [Mr. BROOKS] will be recognized for 20 minutes, and the gentleman from Pennsylvania [Mr. GEKAS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. BROOKS].

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

Mr. Speaker, H.R. 525 makes amendments to the Federal charter of Boys' Clubs of America. Boys' Clubs of America was granted a Federal charter in

1956. This organization officially became the Boys & Girls Clubs of America on September 12, 1990, when the name change was approved by its board of directors.

H.R. 525 amends the act incorporating the Boys' Clubs of America to change the name of the organization to the Boys & Girls Clubs of America, and to make other conforming changes.

The bill also amends the charter to list the current members of the organization. So that the Federal charter will not need to be amended each time the membership changes, the bill also provides for successors of those current members.

I want to thank the gentleman from Massachusetts [Mr. FRANK], who chairs the Subcommittee on Administrative Law and Governmental Relations, for bringing this bill forward. I also compliment the gentlewoman from New York [Ms. MOLINARI], for her good work on this legislation. I urge the Members to support H.R. 525.

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

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

Mr. Speaker, I think the gentleman from Texas [Mr. BROOKS] has adequately described the momentum and the rationale for the presentation of this bill here today. I join him in applauding the efforts of the gentlewoman from New York [Ms. MOLINARI]. She has perceived what many of us who were slower perhaps to perceive, but nevertheless we did, that the time has come in many instances in our society when the gender gap must be closed in and where the distinction between the sexes on matters that for a long time should have been noncontroversial, that time has come.

Mr. Speaker, I yield such time as she may consume to the gentlewoman from New York [Ms. MOLINARI], to give us some background on how this matter was brought to the attention of Congress.

Ms. MOLINARI. Mr. Speaker, I stand before Members today in strong support of H.R. 525, legislation I introduced to amend the Federal Charter for the Boys' Clubs of America to reflect the change of the name of the organization to the Boys and Girls Clubs of America. I want to take this opportunity to thank my distinguished colleagues, chairman of the Subcommittee on Administrative Law, BARNEY FRANK, and chairman of the full Judiciary Committee, JACK BROOKS, for all their help in ensuring passage of my bill. Senator STROM THURMOND has successfully passed the name change legislation in the Senate.

I would like to take a few moments to talk about this very important organization and why I am very proud to be the sponsor of this legislation. This organization currently serves 1.5 million young people, with almost 450,000 of them females. These clubs provide a safe haven where children can go after school to play or learn. By providing these safe havens, the Boys and Girls Clubs of America rescues thousands of young people from the violence and despair of our city's streets. Today, more than ever, we need positive environments for our youth.

In a year where we have had guns brought to preschool, younger and younger victims and perpetrators of crime, more single-parent homes, more drugs, more cases of AIDS, and a growing city budget crisis—the need for a program like the Boys and Girls Clubs has never been greater. The ability to provide a safe place for children to play and learn after school rescues countless of them from the violence and despair of the city's streets. In providing role models, we have the ability to touch the lives of so many and provide emotional security in the form of professional staff to be counselors, role models, mentors, and friends.

Again, I thank all my colleagues who have made passage of my legislation possible.

To some it may just seem like a charter name change, but to a lot of the females in that group who now find themselves in as desperate need as the males in that group, on behalf of all of them, we thank you for recognizing both their needs and their place in a solution.

Mr. BROOKS. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts [Mr. FRANK], the chairman of the Subcommittee on Administrative Law and Governmental Relations of the Committee on the Judiciary.

Mr. FRANK of Massachusetts. Mr. Speaker, the desirability of this bill is obvious. I will refrain on this occasion from adding to the obvious, although I do not set any binding precedent thereby, I would note.

Mr. Speaker, I do want to make two other points. First of all, some people in our society are too slighting of the need to be gender neutral, too slighting of the need to worry about words. People say, "Well, it says the Boys Club, but we know it means the Boys and Girls Club." When you are an 11-year-old girl, you might not know that. Even if you know that, you have a right to be included.

This is, I think, an endorsement by this body—and we have already had it by the other body—that names do mean something. People are not being hypersensitive when they say if you really mean to include me, mention me, and mention me by an appropriate name. So I am delighted that the gentlewoman from New York [Ms. MOLINARI] pushed us to this.

Second, I want to just use this to explain to people why the subcommittee that I chair, with the support of the full committee, has tried to go out of the business of issuing Federal charters.

People reasonably will ask why we are talking the time of this body to ratify a name change that is so obviously desirable? We have two further bills of a similar sort on charters.

The reason is once people get a Federal charter, if they want to make these kind of changes they have to come back and get a congressional statutory change.

That is not a good use of anybody's time. We have the obligation, where charters are already in existence, to accommodate the need for changing itself. We have an equal obligation to ourselves, to the taxpayers, to the time of this institution, not to continue to issue these charters.

The Federal charters are purely honorific. They convey no actual power on people. So I use this occasion, Mr. Speaker, to remind people it is our policy, and I think this vindicates the policy, not to issue these.

I would note it was with the assistance of the gentleman from Mississippi [Mr. MONTGOMERY], the gentleman who currently occupies the chair, that we were able to persuade the Veterans Department to change their policy and stop discriminating against federally chartered and nonfederally chartered, and we can get back to the business of the House.

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

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

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the motion offered by the gentleman from Texas [Mr. BROOKS] that the House suspend the rules and pass the bill, H.R. 525, as amended.

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

A motion to reconsider was laid on the table.

AMENDING THE AMVETS CHARTER

Mr. Brooks. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1760) to amend the AMVETS Charter.

The Clerk read as follows:

H.R. 1760

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (4) of section 5 of the Act entitled "An Act to incorporate the AMVETS, American Veterans of World War II", approved July 23, 1947 (36 U.S.C. 67D(4)), is amended to read as follows:

"(4) The activities of the corporation shall be conducted throughout the various States, the District of Columbia, and the territories and possessions of the United States.".

Mr. BROOKS. Mr. Speaker, I rise in support of H.R. 1760, to amend the charter of the AMVETS organization. AMVETS was granted a Federal char-

ter in 1947. This charter specified that the AMVETS national headquarters would be located in Washington, DC. AMVETS moved its national headquarters to Lanham, MD, a suburb of Washington, DC, in 1980. H.R. 1760 was introduced after some AMVETS members raised the question of the need for an amendment to the charter because of the headquarters move.

I compliment the gentleman from Massachusetts [Mr. FRANK] who chairs the Subcommittee on Administrative Law and Governmental Relations, for bringing this bill forward. I urge the members to support H.R. 1760.

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

Mr. Speaker, again, this is an obvious vote for Members, and it is a perfect example of what the gentleman from Massachusetts [Mr. FRANK] was discussing just a few moments ago.

We are, for lack of a better word, saddled with the responsibility of acknowledging to these organizations that are federally chartered that we must be on tap for any change, just like this one, that might come about in their own workings. So we are acceding here today to the request of the AMVETS.

Mr. Speaker, we will do so, of course. I join with the gentleman from Massachusetts [Mr. FRANK] in trying to see if we can devise a methodology by which we no longer will encourage the Federal charter of organizations such as this, but, at the same time, grandfathering ourselves in. It is my hope that for those that have already been granted that they be grandfathered, because they now, holding that charter, have certain expectations which I do not want to automatically dash by cutting off the business of the Congress altogether in regard to Federal charters.

Mr. Speaker, be that as it may, that is a question for another day. We would ask Members for a unanimous vote on this piece of legislation.

Mr. BROOKS. Mr. Speaker, I yield 17 minutes to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. Mr. Speaker, I thank the gentleman for yielding. In case anything was left over unsaid from the 1 minutes, I was going to use that extra time.

Mr. Speaker, the subcommittee was faced with a difficult choice. We had a charter that said the AMVETS had to be in Washington, and they moved to Lanham. We could have, as had been suggested by staff, annexed Lanham to Washington, or changed the charter. We decided to change the charter.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas [Mr. BROOKS] that the House suspended the rules and pass the bill, H.R. 1760.

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

A motion to reconsider was laid on the table.

□ 1320

AMERICAN LEGION ELIGIBILITY

Mr. BROOKS. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1568) to amend the act incorporating the American Legion so as to redefine eligibility for membership therein.

The Clerk read as follows:

S. 1568

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5 of the Act entitled "An Act to incorporate the American Legion", approved September 16, 1919 (41 Stat. 285; 36 U.S.C. 45), is hereby amended to read as follows:

SEC. 5. No person shall be a member of this corporation unless such person has served in the naval or military services of the United States at some time during any of the following periods: April 6, 1917, to November 11, 1918; December 7, 1941, to December 31, 1946; June 25, 1950, to January 31, 1955; December 22, 1961, to May 7, 1975; August 24, 1982, to July 31, 1984; December 20, 1989, to January 31, 1990; August 2, 1990, to the date of cessation of hostilities, as determined by the United States Government; all dates inclusive, or who, being a citizen of the United States at the time of entry therein, served in the military or naval service of any governments associated with the United States during said wars or hostilities: *Provided, however,* That such person shall have an honorable discharge or separation from such service or continues to serve honorably after any of the aforesaid terminal dates.".

The SPEAKER pro tempore (Mr. MONTGOMERY). Pursuant to the rule, the gentleman from Texas [Mr. BROOKS] will be recognized for 20 minutes, and the gentleman from Pennsylvania [Mr. GEKAS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. BROOKS].

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

Mr. Speaker, S. 1568 amends the American Legion Charter to expand the criteria for membership in the organization to cover those who served in the military services during the Persian Gulf war from the period of August 2, 1990, to the cessation of hostilities, as determined by the U.S. Government.

The American Legion was granted a Federal charter in 1919, with membership eligibility limited to those who served in the military during World War I. After each subsequent conflict, the charter has been amended to extend membership eligibility to veterans of that conflict.

The American Legion's National Executive Committee approved membership eligibility for Persian Gulf war veterans in May of this year, and its national convention ratified that action earlier this month. As a federally chartered organization, however, the Legion's decision to offer membership to those veterans must be effectuated by an act of Congress

I compliment the gentlemen from Massachusetts [Mr. FRANK], who chairs the Subcommittee on Administrative Law and Governmental Relations, for bringing this bill forward, and I urge the Members to support S. 1568.

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

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

Mr. Speaker, I too, of course, support the passage of this legislation.

One quick note. The current national president of the American Legion is Dominick Di Francesco, who hails from my district and is a great personal friend. His family and mine are intertwined in a lot of different ways. He, of couse, pressed all of us, even the gentleman who now is sitting in the chair of the Speaker, to make sure that the needs of the American Legion are heeded in this Congress.

One other quick note. The fact that I am a member of the American Legion stems from a similar action that was taken right after the Korean conflict. There seemed to have been a question as to whether we Korean veterans were eligible for American Legion membership, and somehow there was a problem. Finally the person who filed my application for the Middletown, PA post of the American Legion checked with Washington, and sure enough, some action was taken to qualify Korean veterans for entry into the rolls of the American Legion.

So we know, under the present system this kind of action is required. I ask for unanimous endorsement of the legislation.

Mr. BROOKS. Mr. Speaker, I yield 17 minutes to the gentleman from Massachusetts [Mr. FRANK], chairman of the subcommittee.

Mr. FRANK of Massachusetts. Mr. Speaker, it is appropriate that the active Speaker at this point is the gentleman from Mississippi [Mr. MONTGOMERY] who has himself been such a diligent protector of the rights of our veterans. This is a case where the American Legion wanted to move as quickly as possible to give appropriate recognition to the brave men and women who have served this country in the gulf. I am pleased that we in the Congress were able to respond fairly quickly.

The activity in the gulf during its active phase ended in February. Because the Senate has already voted on this we will be sending the bill, with passage today, to the President's desk. I think it is appropriate that we move this quickly, and I commend the American Legion for their diligence in mak-

ing sure that the women and men who served in the gulf war were given this opportunity to join the Legion, and I am glad to have been able to participate in that process.

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

Mr. BROOKS. Mr. Speaker, I ask for a unanimous vote on the bill.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas [Mr. BROOKS] that the House suspend the rules and pass the Senate bill, S. 1568.

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

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks on H.R. 1612, H.R. 2324, H.R. 525, H.R. 1760, and S. 1568, the five bills just passed.

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

There was no objection.

TRIBAL SELF-GOVERNANCE DEMONSTRATION PROJECT ACT

Mr. MILLER of California. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3394) to amend the Indian Self-Determination and Education and Assistance Act, as amended.

The Clerk read as follows:

H.R. 3394

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 "Tribal Self-Governance Demonstration Project Act".

SEC. 2. EXTENSION OF TIME FOR TRIBAL SELF-GOVERNANCE DEMONSTRATION PROJECT.

Section 301 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450f note) (hereafter in this Act referred to as the "Act") is amended by striking out "five" and inserting in lieu thereof "eight".

SEC. 3. INCREASE IN NUMBER OF TRIBES PARTICI-PATING IN PROJECT.

Section 302(a) of the Act is amended by striking out "twenty" and inserting in lieu thereof "thirty".

SEC. 4. COMPLETION OF GRANTS AS A PRE-CONDITION TO NEGOTIATION OF WRITTEN ANNUAL FUNDING AGREEMENTS.

Section 303(a) of the Act is amended by striking out "which—" and inserting in lieu thereof "that successfully completes its Self-Governance Planning grant. Such annual written funding agreement—".

SEC. 5. ADDITIONAL FUNDING FOR SELF-GOVERNANCE PLANNING GRANTS.

Title III of the Act is amended by adding at the end thereof the following new section:

"SEC. 307. For the purpose of providing planning and negotiation grants to the ten tribes added by section 3 of the Tribal Self-Governance Demonstration Project Act to the number of tribes set forth by section 302 of this Act (as in effect before the date of enactment of this section), there is authorized to be appropriated $700,000.".

SEC. 6. EXTENSION OF PROJECT; FEASIBILITY STUDIES.

(a) PROJECT NOT LIMITED TO CERTAIN PROGRAMS.—Section 303(a)(1) of the Act is amended by striking "authorized under" and inserting in lieu thereof the following: "of the Department of the Interior that are otherwise available to Indian tribes or Indians, including but not limited to,".

(b) AUTHORIZED AGREEMENTS.—Section 303(d) of the Act is amended by inserting immediately before the period at the end thereof a semicolon and the following: "except that for the term of the authorized agreements under this title, the provisions of section 2103 of the Revised Statutes of the United States (25 U.S.C. 81), and section 16 of the Act of June 18, 1934 (25 U.S.C. 476), shall not apply to attorney and other professional contracts by participating Indian tribal governments operating under the provisions of this title".

(c) INTERPRETATION.—Section 303 of the Act is amended by adding at the end thereof the following:

"(f) To the extent feasible, the Secretary shall interpret Federal laws and regulations in a manner that will facilitate the inclusion of activities, programs, services, and functions in the agreements authorized by this title.".

(d) STUDIES.—Title III of the Act is amended by adding after section 307 (as added by section 5 of this Act) the following new sections:

"SEC. 308. (a) The Secretary of Health and Human Services, in consultation with the Secretary of the Interior and Indian tribal governments participating in the demonstration project under this title, shall conduct a study for the purpose of determining the feasibility of extending the demonstration project under this title to the activities, programs, functions, and services of the Indian Health Service. The Secretary shall report the results of such study, together with his recommendations, to the Congress within the 12-month period following the date of the enactment of the Tribal Self-Governance Demonstration Project Act.

"(b) The Secretary of Health and Human Services may establish within the Indian Health Service an office of self-governance to be responsible for coordinating the activities necessary to carry out the study required under subsection (a).

"SEC. 309. The Secretary of the Interior shall conduct a study for the purpose of determining the feasibility of including in the demonstration project under this title those programs and activities excluded under section 303(a)(3). The Secretary of the Interior shall report the results of such study, together with his recommendations, to the Congress within the 12-month period following the date of the enactment of the Tribal Self-Governance Demonstration Project Act.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California [Mr. MILLER] will be recognized for 20 minutes, and the gentleman from California [Mr. LAGOMARSINO] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3394 will provide Indian tribes participating in the project with the tools to take control of all of the programs and services of the Department of the Interior on the reservation. It allows Indian tribes to establish their own funding priorities and tailor programs to specifically address their community needs. I believe this legislation will allow Indian tribes the flexibility to fashion creative and innovative approaches to provide services to their members.

H.R. 3394 will extend the demonstration project for an additional 3 years. This extension will allow a more reasonable period of time to examine the success of the demonstration project. H.R. 3394 will increase the number of Indian tribes able to participate in the project from 20 to 30. This increased participation will provide a more representative cross section of Indian tribes participating in the program and it will enhance the Congress' ability to assess the overall strengths and weaknesses of the self-governance demonstration programs.

Mr. Speaker, H.R. 3394 would also require every new tribe participating in the demonstration program to go through the planning process. Each Indian tribe would receive a planning assistance grant to conduct budgetary and legal research, internal governmental planning, and to develop a negotiating process. The bill authorizes $700,000 for planning and negotiation grants for the 10 additional tribes included in the program.

Mr. Speaker, these amendments would authorize Indian tribes participating in the project to administer all of the programs, services, and functions of the Department of the Interior that are otherwise available to Indian tribes.

In addition, it authorizes the Secretary of the Interior to study the feasibility of including programs specifically excluded from the project which would include funds from the Tribally Controlled Community College Assistance Act, the Indian school equalization formula, and the Flathead irrigation project. The Secretary shall report his findings to the Congress within 12 months from the date of enactment.

The amendments would also rescind the statutory requirement that the Secretary approve attorney contracts for Indian tribes participating in the project.

The amendments also provide that if there is a question as to whether a particular activity, program, service, or function is eligible for inclusion in the project it shall be resolved in favor of inclusion.

Finally, the amendments authorize the Secretary of Health and Human Services to conduct a study of the feasibility of extending the demonstration project to include activities, programs, functions, and services of the Indian health service. The Secretary shall report his findings within 12 months from the date of enactment.

Mr. Speaker, I urge my colleagues to support this very important measure.

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

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

Mr. Speaker, on behalf of myself and JOHN J. RHODES III, I rise in support of H.R. 3394, the Tribal Self-Governance Demonstration Project Act. The chairman of our committee has provided an adequate explanation of the bill's provisions. I would like to focus my remarks on the statement of policy reflected by the bill.

Rightly or wrongly, the Bureau of Indian Affairs has been blamed for all the ills in Indian country. In the spirit of self-determination, Indian tribal leaders have been telling Congress for several years that, given the chance, Indian tribes can provide and manage programs and services better and more efficiently than the Federal bureaucracy is presently doing.

In 1988, Congress accepted this challenge by approving the self-governance project as an amendment to the Indian Self-Determination Act. Since that time seven Indian tribes have negotiated self-governance compacts with the Department of the Interior, and six additional tribes are close to completing the negotiation of such compacts. Several other tribes are engaged in planning activities that are a prelude to the negotiation of further compacts.

On June 14 of this year, the President issued an Indian policy statement which affirmed the philosophical correctness of this ongoing effort to encourage and facilitate tribal control over and decisionmaking for programs and services intended to benefit their local communities. Our approval of H.R. 3394 is a small, but significant, incremental step forward in this partnership with the Indian tribes.

I am pleased that this bill expands the number of tribal participants in the project, and that we are exploring the feasibility of expanding the types of Federal Indian programs that might be included within the project. In a couple of Congresses from now we will be called upon to evaluate the effectiveness of this project and to determine whether to make it a permanent component of the Federal-tribal relationship. It is my belief that the provisions of this bill improve upon the original authorization for the project and improve our future ability to assess its effectiveness.

For all of these reasons, I urge my colleagues to support passage of H.R. 3394.

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

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. MILLER] that the House suspend the rules and pass the bill, H.R. 3394, as amended.

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

A motion to reconsider was laid on the table.

NAVAJO-HOPI RELOCATION HOUSING PROGRAM REAUTHORIZATION ACT OF 1991

Mr. MILLER of California. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1720) to amend Public Law 93-531 (25 U.S.C. 640d et seq.) to reauthorize appropriations for the Navajo-Hopi relocation Housing Program for fiscal years 1992, 1993, 1994, and 1995.

The Clerk read as follows:

S. 1720

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Navajo-Hopi Relocation Housing Program Reauthorization Act of 1991".

SEC. 2. REAUTHORIZATION OF APPROPRIATIONS.

Subsection (a) of section 25 of Public Law 93-531 (25 U.S.C. 640d-24(a)) is amended by striking out "and 1991." in paragraph (8) and inserting in lieu thereof "1991, 1992, 1993, 1994, and 1995.".

SEC. 3. NAVAJO-HOPI RELOCATION.

(a) AMENDMENT.—Section 12(b)(2) of the Act of December 22, 1974 (25 U.S.C. 640d-11(b)(2)), is amended by adding at the end thereof the following new sentence: "The Commissioner serving at the end of a term shall continue to serve until his or her successor has been confirmed in accordance with paragraph (1) of this subsection.".

(b) EMPLOYEES.—Section 12(b)(3) of the Act of December 22, 1974 (25 U.S.C. 640d-11(b)(3)) is amended to read as follows:

"(3) The Commissioner shall be a full-time employee of the United States, and shall be compensated at the rate of basic pay payable for level IV of the Executive Schedule.".

(c) POWERS.—(1) Section 12(d)(1) of the Act of December 22, 1974 (25 U.S.C. 640d-11(d)) is amended to read as follows:

(d) POWERS OF COMMISSIONER.—(1) Subject to such rules and regulations as may be adopted by the Office of Navajo and Hopi Indian Relocation, the Commissioner shall have the power to—

"(A) appoint and fix the compensation of such staff and personnel as the Commissioner deems necessary in accordance with the provisions of title 5, United States Code, governing appointments in the competitive service, but at rates not in excess of a position classified above a GS-15 of the General Schedule under section 5108 of such title; and

"(B) procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code, but at rates not to exceed $200 a day for individuals.".

(d) The amendments made by this section shall not cause any employee of the Office of Navajo and Hopi Indian Relocation to be separated or reduced in grade or compensation for 12 months after the date of enactment of this Act.

(e) The position of Executive Director of the Office of Navajo and Hopi Indian Relocation and Deputy Executive Director of such Office shall on and after the date of the enactment of this Act, be in the Senior Executive Service.

(f) Any employee of the Office of Navajo and Hopi Indian Relocation on the date of the enactment of this Act shall be considered an employee as defined in section 2105 of title 5, United States Code.

(g) COMMISSIONER.—Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following:

"Commissioner, Office of Navajo and Hopi Indian Relocation.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California [Mr. MILLER] will be recognized for 20 minutes, and the gentleman from California [Mr. LAGOMARSINO] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. MILLER].

□ 1330

Mr. MILLER of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, S. 1720 extends the current authorization of $30 million for the Relocation Housing Program through fiscal year 1995. This reauthorization is to meet the housing needs of persons relocated under the 1974 Navajo-Hopi Relocation Act.

Since the program was initiated, a total of 1,944 families have received their relocation benefits. In addition, there are 2,836 certified applicants for relocation benefits and 769 active eligibility appeals for relocation benefits. Over the last 3 years, the relocation commission received an average annual appropriation of $19.2 million. Over this same period, the number of families relocated has averaged 213 annually. Given these figures, it is estimated that it will take an additional 4 years to provide relocation benefits to the remaining 892 certified applications.

S. 1720 also provides certain administrative amendments to the act. The bill provides that the Commissioner shall be a full-time employee of the United States at level IV of the Executive Schedule. It also provides that the Commissioner is authorized to convert position of the executive director of the program to a senior Executive Service career appointment. Finally, it provides that level III of the executive schedule shall apply to the Commissioner.

Mr. Speaker, S. 1720 is a simple reauthorization which has bipartisan and

tribal support. While issues involving Navajo-Hopi matters tend to be challenging, both tribes agreed that the housing program is noncontroversial and requires continuation. The tribes and the committee deliberately chose not to delve further into the general policy at this time.

I thank my colleague from Arizona for allowing this legislation to move so swiftly and smoothly through the committee. We are keeping the promise of housing to the people we relocated and the need is quite great.

I urge my colleagues to support this measure.

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

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

Mr. Speaker, on my behalf and that of the Hon. JOHN J. RHODES III, I rise in support of S. 1720, a bill containing several technical amendments to the Navajo Hopi Relocation Act. I concur with the chairman's explanation of the bill and would like to touch briefly on just one aspect.

In 1988, Congress increased the authorization for the Relocation Housing Program from $15 to $30 million annually. S. 1720 would extend this appropriations authorization through fiscal year 1995. I am encouraged by the representations of the Commissioner for the Navajo-Hopi Relocation Office who has indicated to Congress that in 4 years, at current funding levels, the Relocation Housing Program should be largely completed.

Many concerns have been expressed to the committee during the past year, by both the Hopi Tribe and the Navajo Nation, regarding the adequacy of the current laws to achieve relocation as envisioned by Congress. S. 1720 is intended to be a technical amendments bill only. Accordingly, it is not the committee's intention to address substantive legal or policy issues in the context of S. 1720. In order to address such issues, it would be necessary for the committee to conduct further hearings to evaluate the effectiveness of the relocation efforts under Public Law 93-531 and the subsequent amendments to that law.

When Public Law 93-531 was enacted, Congress envisioned the relocation process to be completed in a much shorter timeframe. Although much progress has occurred under the Relocation Act, I think all affected parties are anxious to have this process completed in a manner that protects the well-being of the relocated Navajo families as well as the rights and interests of the Hopi Tribe. Reauthorization of the Relocation Housing Program in S. 1720 moves us closer to this goal.

Accordingly, I urge my colleagues to support passage of S. 1720.

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

Mr. MILLER of California. Mr. Speaker, I yield 3 minutes to the gentleman from New Mexico [Mr. RICHARDSON].

Mr. RICHARDSON. Mr. Speaker, I would like to enter into a colloquy with the distinguished chairman of the committee.

Mr. Speaker, currently, there is no policy for making homesites available to noncertified extended family members of relocatees. The Navajo-Hopi Land Settlement Act of 1974 limits homesite to those who resided on Hopi partitioned land in 1974. As you can imagine, many of those families now have adult children and other extended family members, who are not eligible for relocatee benefits or homesite.

In a letter sent to me by Carl J. Kunasek, Commissioner of the Office of Navajo and Hopi Indian Relocation, the Commissioner agreed to work closely with the Navajo Nation to develop a policy to address this issue. The Commissioner enclosed a letter he sent to one of our colleagues in the Senate, Senator DECONCINI, which indicated that this could be accomplished in less than 6 months.

What is the committee position on this issue?

Mr. MILLER of California. Mr. Speaker, will the gentleman yield?

Mr. RICHARDSON. I am happy to yield to the gentleman from California.

Mr. MILLER of California. This is a simple reauthorization for housing and the committee has no hearing record on the issue the gentleman raises; hence, we take no position.

Mr. RICHARDSON. I have one last question for the chairman. Will the committee consider this specific matter after the mediation?

Mr. MILLER of California. If the issue requires committee attention, then the committee will attend to the matter.

Mr. RICHARDSON. I thank the gentleman.

Mr. Speaker, I am also submitting for inclusion in the RECORD two additional letters.

U.S. GOVERNMENT, OFFICE OF NAVAJO AND HOPI INDIAN RELOCATION,
Flagstaff, AZ, September 30, 1991.

Hon. DENNIS DECONCINI,
SH-328 Hart Senate Office Building, Washington, DC

DEAR DENNIS: June Tracy and I have had several discussions regarding the Navajo Tribe's New Lands Homesite Leases Amendment. The issue is complex in its possible ramifications and is one the Office has been wrestling with since my confirmation. Let me assure you that we will continue to work with the Navajo Nation administratively, to the extent possible within the law, to develop guidelines to allow non-certified extended family members homesite leases on the New Lands. I am certain this can be accomplished in less than six months.

Enclosed is a copy of an internal memo that delineates some of the complexities of the issue.

I appreciate the opportunity to work with the Navajo Tribe and your office on this and other particularly sensitive issues.

Sincerely,

CARL J. KUNASEK,
Commissioner.

U.S. GOVERNMENT, OFFICE OF NAVAJO AND HOPI INDIAN RELOCATION,
Flagstaff, AZ, November 7, 1991.

Hon. BILL RICHARDSON,
U.S. Representative, Cannon House Office Building, Washington, DC.

DEAR CONGRESSMAN: I sincerely regret that I was not able to meet you this past week while I was in Washington. I certainly hope to have the privilege of meeting you at the earliest possible opportunity. I did have a very nice visit with Karl McElhaney, your staff person on Indian issues. Mr. McElhaney tried to arrange a time for us to meet, however, due to your busy schedule and the intensity of the session, it was impossible to get together. I did visit with the entire Arizona delegation and I believe I had a very fruitful trip.

Mr. McElhaney indicated a question that you might have concerning our ongoing development of the New Lands and, in particular, on the possibility of developing either legislation or other guidelines to allow noncertified extended family members homesite leases on the New Lands. Myself and staff here at the Relocation Office have been discussing this within the office on an informal basis. We feel it is an issue that must be addressed in the near future to accommodate the maturing children of the New Lands relocatees. In these discussions we have developed questions which need to be addressed before a final decision can be reached. These questions are neither inclusive nor exclusive and are merely questions we have already identified. I will enclose an internal memo outlining some of the complexities involved. As I committed to Senator DeConcini, we will continue this discussion internally, as well as with the Navajo Nation. We have scheduled a meeting with the Navajo Nation to discuss this subject on November 21st at 10:00 a.m. and I would invite you or a member of your staff to attend. This meeting will be held at our office and you will be most welcome.

I appreciate this opportunity to bring you up-to-date on the activities of the Office and on this every sensitive issue. I will enclose my November 30th letter to Senator DeConcini, as well as the September 17th internal memo, for your review.

Sincerely,

CARL J. KUNASEK,
Commissioner.

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

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the motion offered by the gentleman from California [Mr. MILLER] that the House suspend the rules and pass the Senate bill, S. 1720.

The question was taken; and (two-thirds have voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

RECLAMATION PROJECTS AUTHORIZATION AND ADJUSTMENT ACT OF 1991

Mr. MILLER of California. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 282) providing for the concurrence of the House to the amendment of the Senate to the bill (H.R. 355) with an amendment.

The Clerk read as follows:

H. RES. 282

Resolved, That upon the adoption of this resolution, the bill (H.R. 355) to provide emergency drought relief to the Reclamation States, and for other purposes, be and is hereby taken from the Speaker's table to the end that the Senate amendment to the text of the bill be and is hereby agreed to with the following amendment:

In lieu of the Senate amendment, insert the following:

SECTION 1. SHORT TITLE.

Title I through XXXIII of this Act may be cited as the "Reclamation Projects Authorization and Adjustment Act of 1991".

SEC. 2. DEFINITION OF SECRETARY.

For the purposes of this Act, the term "Secretary" means the Secretary of the Interior.

TITLE I—BUFFALO BILL DAM AND RESERVOIR, WYOMING

SEC. 101. ADDITIONAL AUTHORIZATION OF APPROPRIATIONS FOR BUFFALO BILL DAM AND RESERVOIR, SHOSHONE PROJECT, PICK-SLOAN MISSOURI BASIN PROGRAM.

Title I of Public Law 97-293 (96 Stat. 1261) is amended as follows:

(1) In the second sentence of section 101, by striking "replacing the existing Shoshone Powerplant," and inserting "constructing power generating facilities with a total installed capacity of 25.5 megawatts,".

(2) In section 102—

(A) by amending the heading to read as follows:

"RECREATIONAL FACILITIES, CONSERVATION, AND FISH AND WILDLIFE";

and

(B) by adding at the end the following: "The construction of recreational facilities in excess of the amount required to replace or relocate existing facilities is authorized, and the costs of such construction shall be borne equally by the United States and the State of Wyoming pursuant to the Federal Water Project Recreation Act.".

(3) In section 106(a)—

(A) by striking "for construction of the Buffalo Bill Dam and Reservoir modifications the sum of $106,700,000 (October 1982 price levels)" and inserting "for the Federal share of the construction of the Buffalo Bill Dam and Reservoir modifications and recreational facilities the sum of $80,000,000 (October 1988 price levels)"; and

(B) by striking "modifications" and all that follows and inserting "modifications.".

TITLE II—CENTRAL UTAH PROJECT CONSTRUCTION

SEC. 200. SHORT TITLE FOR TITLES II-VI; TABLE OF CONTENTS FOR TITLES II-VI; AND DEFINITIONS FOR TITLES II-VI.

(a) SHORT TITLE.—Titles II through VI of this Act may be cited as the "Central Utah Project Completion Act".

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

TITLE II—CENTRAL UTAH PROJECT CONSTRUCTION

Sec. 201. Authorization of additional amounts for the Colorado River Storage Project.
Sec. 202. Bonneville Unit water development.
Sec. 203. Uinta Basin replacement project.
Sec. 204. Non-Federal contribution.
Sec. 205. Definite Plan Report and environmental compliance.
Sec. 206. Local development in lieu of irrigation and drainage.
Sec. 207. Water management improvement.
Sec. 208. Limitation on hydropower operations.
Sec. 209. Operating agreements.
Sec. 210. Jordan Aqueduct prepayment.
Sec. 211. Audit of Central Utah Project cost allocations.
Sec. 212. Crops for which an acreage reduction program is in effect.

TITLE III—FISH, WILDLIFE, AND RECREATION MITIGATION AND CONSERVATION

Sec. 301. Utah Reclamation Mitigation and Conservation Commission.
Sec. 302. Increased project water capability.
Sec. 303. Stream flows.
Sec. 304. Fish, wildlife, and recreation projects identified or proposed in the 1988 Definite Plan Report for the Central Utah Project.
Sec. 305. Wildlife lands and improvements.
Sec. 306. Wetlands acquisition, rehabilitation, and enhancement.
Sec. 307. Fisheries acquisition, rehabilitation, and enhancement.
Sec. 308. Stabilization of high mountain lakes in the Uinta mountains.
Sec. 309. Stream access and riparian habitat development.
Sec. 310. Section 8 expenses.
Sec. 311. Jordan and Provo River Parkways and natural areas.
Sec. 312. Recreation.
Sec. 313. Fish and wildlife features in the Colorado River Storage Project.
Sec. 314. Concurrent mitigation appropriations.
Sec. 315. Fish, wildlife, and recreation schedule.

TITLE IV—UTAH RECLAMATION MITIGATION AND CONSERVATION ACCOUNT

Sec. 401. Findings, purpose, operation and administration.
Sec. 402. Utah Reclamation Mitigation and Conservation Account.

TITLE V—UTE INDIAN RIGHTS SETTLEMENT

Sec. 501. Findings and purpose.
Sec. 502. Provision for payment to the Ute Indian Tribe.
Sec. 503. Tribal use of water.
Sec. 504. Tribal farming operations.
Sec. 505. Reservoir, stream, habitat, and road improvements with respect to the Ute Indian Reservation.
Sec. 506. Tribal development funds.
Sec. 507. Waiver of claims.

TITLE VI—ENDANGERED SPECIES ACT AND NATIONAL ENVIRONMENTAL POLICY ACT

(c) DEFINITIONS.—For the purposes of titles II-VI of this Act:

(1) The term "Bureau" means the Bureau of Reclamation of the Department of the Interior.

(2) The term "Commission" means the Utah Reclamation Mitigation and Conservation Commission established by section 301 of this Act.

(3) The term "conservation measure(s)" means actions taken to improve the efficiency of the storage, conveyance, distribution, or use of water, exclusive of dams, reservoirs, or wells.

(4) The term "1988 Definite Plan Report" means the May 1988 Draft Supplement to the Definite Plan Report for the Bonneville Unit of the Central Utah Project.

(5) The term "District" means the Central Utah Water Conservancy District.

(6) The term "fish and wildlife resources" means all birds, fishes, mammals, and all other classes of wild animals and all types of habitat upon which such fish and wildlife depend.

(7) The term "Interagency Biological Assessment Team" means the team comprised of representatives from the United States Fish and Wildlife Service, the United States Forest Service, the Bureau of Reclamation, the Utah Division of Wildlife Resources, and the District.

(8) The term "administrative expenses", as used in section 301(i) of this Act, means all expenses necessary for the Commission to administer its duties other than the cost of the contracts or other transactions provided for in section 301(f)(3) for the implementation by public natural resource management agencies of the mitigation and conservation projects and features authorized in this Act. Such administrative expenses include but are not limited to the costs associated with the Commission's planning, reporting, and public involvement activities, as well as the salaries, travel expenses, office equipment, and other such general administrative expenses authorized in this Act.

(9) The term "petitioner(s)" means any person or entity that petitions the District for an allotment of water pursuant to the Utah Water Conservancy Act, Utah Code Ann. Sec. 17A-2-1401 et. seq.

(10) The term "project" means the Central Utah Project.

(11) The term "public involvement" means to request comments on the scope of and, subsequently, on drafts of proposed actions or plans, affirmatively soliciting comments, in writing or at public hearings, from those persons, agencies, or organizations who may be interested or affected.

(12) The term "Secretary" means the Secretary of the Interior.

(13) The term "section 8" means section 8 of the Act of April 11, 1956 (70 Stat. 110; 43 U.S.C. 620g).

(14) The term "State" means the State of Utah, its political subdivisions, or its designee.

(15) The term "Stream Flow Agreement" means the agreement entered into by the United States through the Secretary of the Interior, the State of Utah, and the Central Utah Water Conservancy District, dated February 27, 1980, as modified by the amendment to such agreement, dated September 13, 1990.

SEC. 201. AUTHORIZATION OF ADDITIONAL AMOUNTS FOR THE COLORADO RIVER STORAGE PROJECT.

(a)(1) INCREASE IN CRSP AUTHORIZATION.—In order to provide for the completion of the Central Utah Project and other features described in this Act, the amount which section 12 of the Act of April 11, 1956 (70 Stat. 110; 43 U.S.C. 620k), authorizes to be appropriated, which was increased by the Act of August 10, 1972 (86 Stat. 525; 43 U.S.C. 620k note), and the Act of October 31, 1988 (102 Stat. 2826), is hereby further increased by $922,456,000 plus or minus such amounts, if any, as may be required by reason of changes in construction costs as indicated by engi-

neering cost indexes applicable to the type of construction involved: *Provided, however,* That of the amounts authorized to be appropriated by this section, the Secretary is not authorized to obligate or expend amounts in excess of $214,352,000 for the features identified in table 2 of the report accompanying the bill H.R. 429. This additional sum shall be available solely for design, engineering, and construction of the facilities identified in title II of this Act and for the planning and implementation of the fish and wildlife and recreation mitigation and conservation projects and studies authorized in titles III and IV of this Act, and for the Ute Indian Settlement authorized in title V of this Act.

(2) APPLICATION OF INSPECTOR GENERAL RECOMMENDATIONS.—Notwithstanding any other provision of law to the contrary, the Secretary shall implement all the recommendations contained in the report entitled "Review of the Financial Management of the Colorado River Storage Project, Bureau of Reclamation (Report No. 88-45, February, 1988)", prepared by the Inspector General of the Department of the Interior, with respect to the funds authorized to be appropriated in this section.

(b) UTAH RECLAMATION PROJECTS AND FEATURES NOT TO BE FUNDED.—Notwithstanding the Act of April 11, 1956 (70 Stat. 110; 43 U.S.C. 105), the Act of August 10, 1972 (86 Stat. 525; 43 U.S.C. 620k note), the Act of October 19, 1980 (94 Stat. 2239; 43 U.S.C. 620), and the Act of October 31, 1988 (102 Stat. 2826), funds may not be made available, obligated, or expended for the following Utah reclamation projects and features:

(1) Fish and wildlife features:

(A) The dam in Bjorkman Hollow;

(B) The Deep Creek pumping plant;

(C) The North Fork pumping plant;

(2) Water development projects and features:

(A) Mosida pumping plant, canals, and laterals;

(B) Draining of Benjamin Slough;

(C) Diking of Goshen or Provo Bays in Utah Lake;

(D) Ute Indian Unit;

(E) Leland Bench development; and

(F) All features of the Bonneville Unit, Central Utah Project not proposed and described in the 1988 Definite Plan Report.

Counties in which the projects and features described in this subsection were proposed to be located may participate in the local development projects provided for in section 206.

(c) TERMINATION OF AUTHORIZATION OF APPROPRIATIONS.—Notwithstanding any provision of the Act of April 11, 1956 (70 Stat. 110; 43 U.S.C. 620k), the Act of September 2, 1964 (78 Stat. 852), the Act of September 30, 1968 (82 Stat. 885), the Act of August 10, 1972 (86 Stat. 525; 43 U.S.C. 620k note), and the Act of October 31, 1988 (102 Stat. 2826) to the contrary, the authorization of appropriations for construction of any Colorado River Storage Project participating project located in the State of Utah shall terminate five years after the date of enactment of this Act unless: (1) the Secretary executes a cost-sharing agreement with non-Federal entities for construction of such project, and (2) the Secretary has requested construction funds for such project.

(d) USE OF APPROPRIATED FUNDS.—Funds authorized pursuant to this Act shall be appropriated to the Secretary and such appropriations shall be made available in their entirety to non-Federal interests as provided for pursuant to the provisions of this Act.

(e) STATUS OF PARTICIPATING PROJECTS.—The Secretary, in consultation with the Secretary of Energy and the Governors of the Upper Colorado River Basin States, is directed to report to Congress not later than one year after the date of enactment of this Act on the status of Colorado River Storage Project participating projects for which construction has not begun as of October 15, 1990. The report of the Secretary shall include, but not be limited to, the following information:

(1) a description of each project, its legislative history, and history of environmental compliance;

(2) an analysis of the economic costs and benefits of each participating project;

(3) a recommendation as to whether the authorization of appropriations for that project be amended, be terminated, or should remain unchanged, along with the reasons supporting each recommendation.

SEC. 202. BONNEVILLE UNIT WATER DEVELOPMENT.

(a) Of the amounts authorized to be appropriated in section 201, the following amounts shall be available only for the following features of the Bonneville Unit of the Central Utah Project:

(1) IRRIGATION AND DRAINAGE SYSTEM.—(A) $150,000,000 for the construction of an enclosed pipeline primary water conveyance system from Spanish Fork Canyon to Sevier Bridge Reservoir for the purpose of supplying new and supplemental irrigation water supplies to Utah, Juab, Millard, Sanpete, Sevier, Garfield, and Piute Counties. Construction of the facilities specified in the previous sentence shall be undertaken by the District as specified in subparagraph (D) of this paragraph. No funds are authorized to be appropriated for construction of the facilities identified in this paragraph, except as provided for in subparagraph (D) of this paragraph.

(B) The authorization to construct the features provided for in subparagraph (A) shall expire if no funds to construct such features have been obligated or expended by the Secretary in accordance with this Act, unless the Secretary determines the District has complied with sections 202, 204, and 205, within five years from the date of its enactment, or such longer time as necessitated for—

(i) completion, after the exercise of due diligence, of compliance measures outlined in a biological opinion issued pursuant to the Endangered Species Act (16 U.S.C. 1533 et seq.) for any species that is or may be listed as threatened or endangered under such Act: *Provided, however,* That such extension of time for the expiration of authorization shall not exceed twelve months beyond the five-year period provided in subparagraph (B) of this paragraph;

(ii) judicial review of a completed final environmental impact statement for such features if such review is initiated by parties other than the District, the State, or petitioners of project water; or

(iii) a judicial challenge of the Secretary's failure to make a determination of compliance under this subparagraph: *Provided, however,* That in the event that construction is not initiated on the features provided for in subparagraph (A), $125,000,000 shall remain authorized pursuant to the provisions of this Act applicable to subparagraph (A) for the construction of alternate features to deliver irrigation water to lands in the Utah Lake drainage basin, exclusive of the features identified in section 201(b).

(C) REQUIREMENT FOR BINDING CONTRACTS.—Amounts authorized to carry out subparagraph (A) may not be obligated or expended, and may not be borrowed against, until binding contracts for the purchase for the purpose of agricultural irrigation of at least 90 percent of the irrigation water to be delivered from the features of the Central Utah Project described in subparagraph (A) have been executed.

(D) In lieu of construction by the Secretary, the Central Utah Project and features specified in section 202(a)(1) shall be constructed by the District under the program guidelines authorized by Drainage Facilities and Minor Construction Act (Act of June 13, 1956, 70 Stat. 274; 43 U.S.C. 505). Any such feature shall be operated, maintained, and repaired by the District in accordance with repayment contracts and operation and maintenance agreements entered into between the Secretary and the District. The United States shall not be liable for damages resulting from the design, construction, operation, maintenance, and replacement by the District of the features specified in section 202(a)(1).

(2) CONJUNCTIVE USE OF SURFACE AND GROUND WATER.—$10,000,000 for a feasibility study and development, with public involvement, by the Utah Division of Water Resources of systems to allow ground water recharge, management, and the conjunctive use of surface water resources with ground water resources in Salt Lake, Utah, Davis, Wasatch, and Weber Counties, Utah.

(3) WASATCH COUNTY WATER EFFICIENCY PROJECT.—(A) $500,000 for the District to conduct, within two years from the date of enactment of this Act, a feasibility study with public involvement, of efficiency improvements in the management, delivery and treatment of water in Wasatch County, without interference with downstream water rights. Such feasibility study shall be developed after consultation with Wasatch County and the Commission, or the Utah State Division of Wildlife Resources if the Commission has not been established, and shall identify the features of the Wasatch County Water Efficiency Project.

(B) $10,000,000 for construction of the Wasatch County Water Efficiency Project, in addition to funds authorized in section 107(e)(2) for related purposes.

(C) The feasibility study and the project construction authorization shall be subject to the non-Federal contribution requirements of section 204.

(D) The project construction authorization provided in subparagraph (B) shall expire if no funds to construct such features have been obligated or expended by the Secretary in accordance with this Act within five years from the date of completion of feasibility studies, or such longer times as necessitated for—

(i) completion, after the exercise of due diligence, of compliance measures outlined in a biological opinion issued pursuant to the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.) for any species that is or may be listed as threatened or endangered under such Act, except that such extension of time for the expiration of authorization shall not exceed twelve months beyond the five-year period provided in this subparagraph; or

(ii) judicial review of environmental studies prepared in compliance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) if such review was initiated by parties other than the District, the State, or petitioners of project water.

(E) Amounts authorized to carry out subparagraph (B) may not be obligated or expended, and may not be borrowed against, until binding contracts for the purchase of at least 90 percent of the supplemental irriga-

tion project water to be delivered from the features constructed under subparagraph (B) have been executed.

(F) In lieu of construction by the Secretary, the Central Utah Project and features specified in section 102(a)(1) shall be constructed by the District under the program guidelines authorized by the Drainage Facilities and Minor Construction Act (Act of June 13, 1956, 70 Stat. 274; 43 U.S.C. 505). Any such feature may be operated, maintained, and repaired by the District in accordance with repayment contracts and operation and maintenance agreements entered into between the Secretary and the District. The United States shall not be liable for damages resulting from the design, construction, operation, maintenance, and replacement by the District of the features specified in section 102(a)(1).

(4) UTAH LAKE SALINITY CONTROL.—$1,000,000 for the District to conduct, with public involvement, a feasibility study to reduce the salinity of Utah Lake.

(5) PROVO RIVER STUDIES—(A) $2,000,000 for the district to conduct, with public involvement—

(i) in consultation with the United States Geological Survey a hydrologic study that includes a hydrologic model analysis of the Provo River basin with all tributaries, water imports and exports, and diversions, an analysis of expected flows and storage under varying water conditions, and a comparison of steady state conditions with proposed demands being placed on the river and affected water resources, including historical diversions, decrees, and water rights; and

(ii) a feasibility study of direct delivery of Colorado River Basin water from the Strawberry Reservoir or elsewhere in the Strawberry collection system to the Provo River basin, including the Wallsburg Tunnel and other possible importation or exchange options.

The studies shall also evaluate the potential for changes in existing importation patterns and quantities of water from the Weber and Duchesne River basins, and shall describe the economic and environmental consequences of each alternative identified. In addition to funds appropriated after the enactment of this Act, the Secretary is authorized to utilize Section 8 funds which may be available from fiscal year 1992 appropriations for the central Utah Project for the purposes of carrying out the studies described in this paragraph.

(B) The cost of the study provided for in subparagraph (A) shall be treated as an expense under section 8: *Provided, however,* That the cost of such study shall be reallocated proportionate with project purposes in the event any conveyance alternative is subsequently authorized and constructed.

(6) COMPLETION OF DIAMOND FORK SYSTEM.—(A) Of the amounts authorized to be appropriated under section 201, $69,000,000 shall be available to complete construction of the Diamond Fork System.

(B) In lieu of construction by the Secretary, the facilities specified in paragraph (A) shall be constructed by the District under the program guidelines authorized by the Drainage Facilities and Minor Construction Act (Act of June 13, 1956, 70 Stat. 274; 43 U.S.C. 505). Any such feature shall be operated, maintained, and repaired by the District in accordance with repayment contracts and operation and maintenance agreements entered into between the Secretary and the District. The United States shall not be liable for damages resulting from the design, construction, operation, maintenance, and replacement by the District of the features specified in subparagraph (A) of this paragraph.

(b) STRAWBERRY WATER USERS ASSOCIATION.—(1) In exchange for, and as a precondition to approval of the Strawberry Water Users Association's petition for Bonneville Unit water, the Secretary, after consultation with the Secretary of Agriculture, shall impose conditions on such approval so as to ensure that the Strawberry Water Users Association shall manage and develop the lands referred to in subparagraph 4(e)(1)(A) of the Act of October 31, 1988 (102 Stat. 2826, 2828) in a manner compatible with the management and improvement of adjacent Federal lands for wildlife purposes, natural values, and recreation.

(2) The Secretary of Agriculture and the Secretary shall not permit commercial or other development of Federal lands within sections 2 and 13, township 3 south, range 12 west, and sections 7 and 8, township 3 south, range 11 west, Uintah Special Meridian. Such Federal lands shall be rehabilitated pursuant to subsection 4(f) of the Act of October 31, 1988 (102 Stat. 2826, 2828) and hereafter managed and improved for wildlife purposes, natural values, and recreation consistent with the Uinta National Forest Land and Natural Resource Management Plan. This restriction shall not apply to the 95 acres referred to in the first sentence of subparagraph 4(e)(1)(A) of the Act of October 31, 1988 (102 Stat. 2826, 2828), valid existing rights, or to uses of such Federal lands by the Secretary of Agriculture or the Secretary for public purposes.

SEC. 203. UINTA BASIN REPLACEMENT PROJECT.

(a) IN GENERAL.—Of the amounts authorized to be appropriated by section 201, $30,538,000 shall be available only to increase efficiency, enhance beneficial uses, and achieve greater water construction within the Uinta Basin, as follows:

(1) $13,582,000 for the construction of the Pigeon Water Reservoir, together with an enclosed pipeline conveyance system to divert water from Lake Fork River to Pigeon Water Reservoir and Sandwash Reservoir.

(2) $2,987,000 for the construction of McGuire Draw Reservoir.

(3) $7,669,000 for the construction of Clay Basin Reservoir.

(4) $4,000,000 for the rehabilitation of Farnsworth Canal.

(5) $2,300,000 for the construction of permanent diversion facilities identified by the Commission on the Duchesne and Strawberry Rivers, the designs of which shall be approved by the Federal and State fish and wildlife agencies. The amount identified in paragraph (5) shall be treated as an expense under section 8.

(b) EXPIRATION OF AUTHORIZATION.—The authorization to construct any of the features provided for in paragraphs (1) through (5) of subsection (a)—

(1) shall expire if no funds for such features have been obligated or expended in accordance with this Act within five years from the date of completion of feasibility studies, or such longer time as necessitated for—

(A) completion, after the exercise of due diligence, of compliance measures outlined in a biological opinion issued pursuant to the Endangered Species Act (16 U.S.C. 1533 et seq.) for any species that is or may be listed as threatened or endangered under such Act: *Provided, however,* That such extension of time for the expiration of authorization shall not exceed twelve months beyond the five-year period provided in this paragraph; or

(B) judicial review of environmental studies prepared in compliance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) if such review was initiated by parties other than the District, the State, or petitioners of project water;

(2) shall expire if the Secretary determines that such feature is not feasible.

(c) REQUIREMENT FOR BINDING CONTRACTS.—Amounts authorized to carry out subsection (a), paragraphs (1) through (4) may not be obligated or expended, and may not be borrowed against, until binding contracts for the purchase of at least 90 percent of the supplemental irrigation water to be delivered from the features of the Central Utah Project described in subsection (a), paragraphs (1) through (4) have been executed.

(d) NON-FEDERAL OPTION.—In lieu of construction by the Secretary, the features described in subsection (a), paragraphs (1) through (5) shall be constructed by the District under the program guidelines authorized by the Drainage Facilities and Minor Construction Act (Act of June 13, 1956, 70 Stat. 274; 43 U.S.C. 505). Any such feature shall be operated, maintained, and repaired by the District in accordance with repayment contracts and operation and maintenance agreements entered into between the Secretary and the District. The United States shall not be liable for damages resulting from the design, construction, operation, maintenance, and replacement by the District of the features specified in subsection (a) of this section.

(e) WATER RIGHTS.—To make water rights available for any of the features constructed as authorized in this section, the Bureau shall convey to the District in accordance with State law the water rights evidenced by Water Right No. 43-3825 (Application No. A36642) and Water Right No. 43-3827 (Application No. A36644).

(f) UINTAH INDIAN IRRIGATION PROJECT.—(1) Notwithstanding any other provision of law, the Secretary is authorized and directed to enter into a contract or cooperative agreement with, or make a grant to the Uintah Indian Irrigation Project Operation and Maintenance Company, or any other organization representing the water users within the Uintah Indian Irrigation Project area, to enable such organization to—

(A) administer the Uintah Indian Irrigation Project, or part thereof, and

(B) operate, maintain, rehabilitate, and construct all or some of the irrigation project facilities using the same administrative authority and management procedures as used by water user organizations formed under State laws who administer, operate, and maintain irrigation projects.

(2) Title to Uintah Indian Irrigation Project rights-of-way and facilities shall remain in the United States. The Secretary shall retain any trust responsibilities to the Uintah Indian Irrigation Project.

(3) Notwithstanding any other provision of law, the Secretary shall use funds received from assessments, carriage agreements, leases, and all other additional sources related to the Uintah Indian Irrigation Project exclusively for Uintah Indian Irrigation Project administration, operation, maintenance, rehabilitation, and construction where appropriate. Upon receipt, the Secretary shall deposit such funds in an account in the Treasury of the United States. Amounts in the account not currently needed shall earn interest at the rate determined by the Secretary of the Treasury, taking into consideration current market yields on outstanding obligations of the United States with remaining periods to maturity comparable to the period for which such funds

are not currently needed. Amounts in the account shall be available, upon appropriation by Congress.

(4) All noncontract costs, direct and indirect, required to administer the Uintah Indian Irrigation Project shall be nonreimbursable and paid for by the Secretary as part of his trust responsibilities, beginning on the date of enactment of this Act. Such costs shall include (but not be limited to) the noncontract cost positions of project manager or engineer and two support staff. Such costs shall be added to the funding of the Uintah and Ouray Agency of the Bureau of Indian Affairs as a line item.

(5) The Secretary is authorized to sell, lease, or otherwise make available the use of irrigation project equipment to a water user organization which is under obligation to the Secretary to administer, operate, and maintain the Uintah Indian Irrigation Project or part thereof.

(6) The Secretary is authorized to lease or otherwise make available the use of irrigation project facilities to a water user organization which is under obligation to the Secretary to administer, operate, and maintain the Uintah Indian Irrigation Project or part thereof.

(g) BRUSH CREEK AND JENSEN UNIT.—(1) The Secretary is authorized to enter into Amendatory Contract No. 6-05-01-00143, as last revised on September 19, 1988, between the United States and the Uintah Water Conservancy District, which provides, among other things, for part of the municipal and industrial water obligation now the responsibility of the Uintah Water Conservancy District to be retained by the United States with a corresponding part of the water supply to be controlled and marketed by the United States. Such water shall be marketed and used in conformance with State law.

(2) The Secretary, through the Bureau, shall—

(A) establish a conservation pool of 4,000 acre-feet in Red Fleet Reservoir for the purpose of enhancing associated fishery and recreational opportunities and for such other purposes as may be recommended by the Commission in consultation with the Utah Division of Wildlife Resources, United States Fish and Wildlife Service, and the Utah Division of Parks and Recreation; and

(B) enter into an agreement with the Utah Division of Parks and Recreation for the management and operation of Red Fleet recreational facilities.

SEC. 204. NON-FEDERAL CONTRIBUTION.

The non-Federal share of the cost for the design, engineering, and construction of the Central Utah Project features authorized by sections 202 and 203 shall be 35 percent of the total costs and shall be paid concurrently with the Federal share, except that for the facilities specified in section 202(a)(6), the cost-share shall be 35 percent of the costs allocated to irrigation beyond the ability of irrigators to repay. The non-Federal share of the cost for studies required by sections 202 and 203, other than the study required by sections 202(a)(5), shall be 50 percent and shall be paid concurrently with the Federal share. Any feature or study to which this section applies shall not be cost shared until after the non-Federal interests enter into binding agreements with the appropriate Federal authority to provide the share required by this section. The District may commence such studies prior to entering into binding agreements and upon execution of binding agreements the Secretary shall reimburse the District an amount equal to the Federal share of the funds expended by the District.

SEC. 205. DEFINITE PLAN REPORT AND ENVIRONMENTAL COMPLIANCE.

(a) DEFINITE PLAN REPORT AND FEASIBILITY STUDIES.—Except for amounts required for compliance with applicable environmental laws and the purposes of this subsection, amounts may not be obligated or expended for the features authorized in section 202(a)(1) or 203 until—

(1) the Secretary or the District, at the option of the District, completes—

(A) a Definite Plan Report for the system authorized in section 202(a)(1), or

(B) an analysis to determine the feasibility of the separate features described in section 203(a), paragraphs (1) through (4), or subsection (f);

(2) the requirements of the National Environmental Policy Act of 1969 have been satisfied with respect to the particular system; and

(3) a plan has been developed with and approved by the United States Fish and Wildlife Service to prevent any harmful contamination of waters due to concentrations of selenium or other such toxicants, if the Service determines that development of the particular system may result in such contamination.

(b) COMPLIANCE WITH ENVIRONMENTAL LAWS AND THE TERMS OF THIS ACT.—Notwithstanding any other provision of this Act, Federal funds authorized under this title may not be provided to any non-Federal interests until any such interest enters into binding agreements with the appropriate Federal authority to be considered a "Federal Agency" for purposes of compliance with all Federal fish, wildlife, recreation, and environmental laws with respect to the use of such funds, and to comply with this Act.

(c) INITIATION OF REPAYMENT.—For purposes of repayment of costs obligated and expended prior to the date of enactment of this Act, the Definite Plan Report shall be considered as being filed and approved by the Secretary, and repayment of such costs shall be initiated by the Secretary of Energy at the earliest possible date. All the costs allocated to irrigation and associated with construction of the Strawberry Collection System, a component of the Bonneville Unit, obligated prior to the date of enactment of this Act shall be included by the Secretary of Energy in the costs specified in this subsection.

(d) Of the amounts authorized in section 201, the Secretary is directed to make such sums as are necessary available to the District for the completion of the plans, studies, and analyses required by this section pursuant to the cost sharing provisions of section 204.

(e) CONTENT AND APPROVAL OF THE DEFINITE PLAN REPORT.—The Definite Plan Report required under this section shall include economic analyses consistent with the Economic and Environmental Principles and Guidelines for Water and Related Land Resources Implementation Studies (March 10, 1983). The Secretary may withhold approval of the Definite Plan Report only on the basis of the inadequacy of the document, and specifically not on the basis of the findings of its economic analyses.

SEC. 206. LOCAL DEVELOPMENT IN LIEU OF IRRIGATION AND DRAINAGE.

(a) OPTIONAL REBATE TO COUNTIES.—(1) After two years from the date of enactment of this Act, the District shall, at the option of an eligible county as provided in paragraph (2), rebate to such county all of the ad valorem tax contributions paid by such county to the District, with interest but less the value of any benefits received by such county and less the administrative expenses incurred by the District to that date.

(2) Counties eligible to receive the rebate provided for in paragraph (1) include any county within the District, except for Salt Lake County and Utah County, in which the construction of Central Utah Project water storage or delivery features authorized in this Act has not commenced and—

(A) in which there are no binding contracts as required under section 202(1)(C); or

(B) in which the authorization for the project or feature was repealed pursuant to section 201(b) or expired pursuant to section 202(a)(1)(B) of this Act.

(b) LOCAL DEVELOPMENT OPTION.—(1) Upon the request of any eligible county that elects not to participate in the project as provided in subsection (a), the Secretary shall provide as a grant to such county an amount that, when matched with the rebate received by such county, shall constitute 65 percent of the cost of implementation of measures identified in paragraph (2).

(2)(A) The grant provided for in this subsection shall be available for the following purposes:

(i) Potable water distribution and treatment.

(ii) Wastewater collection and treatment.

(iii) Agricultural water management.

(iv) Other public infrastructure improvements as may be approved by the Secretary.

(B) Funds made available under this subsection may not be used for—

(i) draining of wetlands;

(ii) dredging of natural water courses;

(iii) planning or constructing water impoundments of greater than 5,000 acre-feet, except for the proposed Hatch Town Dam on the Sevier River in southern Garfield County, Utah.

(C) All Federal environmental laws shall be applicable to any projects or features developed pursuant to this section.

(3) Of the amounts authorized to be appropriated by section 201, not more than $40,000,000 may be available for the purposes of this subsection.

SEC. 207. WATER MANAGEMENT IMPROVEMENT.

(a) PURPOSES.—The purposes of this section are, through such means as are cost-effective and environmentally sound, to—

(1) encourage the conservation and wise use of water;

(2) reduce the probability and duration of periods necessitating extraordinary curtailment of water use;

(3) achieve beneficial reductions in water use and system costs;

(4) prevent or eliminate unnecessary depletion of waters in order to assist in the improvement and maintenance of water quantity, quality, and streamflow conditions necessary to augment water supplies and support fish, wildlife, recreation, and other public benefits;

(5) make prudent and efficient use of currently available water prior to any importation of Bear River water into Salt Lake County, Utah; and

(6) provide a systematic approach to the accomplishment of these purposes and an objective basis for measuring their achievement.

(b) WATER MANAGEMENT IMPROVEMENT PLAN.—The District, after consultation with the State and with each petitioner of project water, shall prepare and maintain a water management improvement plan. The first plan shall be submitted to the Secretary by January 1, 1995. Every three years thereafter the District shall prepare and submit a supplement to this plan. The Secretary shall ei-

ther approve or disapprove such plan or supplement thereto within six months of its submission.

(1) ELEMENTS.—The plan shall include the following elements:

(A) A water conservation goal, consisting of the greater of the following two amounts for each petitioner of project water:

(i) 25 percent of each petitioner's projected increase in annual water deliveries between the years 1990 and 2000, or such later ten year period as the District may find useful for planning purposes; or

(ii) the amount by which unaccounted for water or, in the case of irrigation entities, transport losses, exceeds 10 percent of recorded annual water deliveries.

The minimum goal for the District shall be 30,000 acre-feet per year. In the event that the pipeline conveyance system described in section 202(a)(1)(A) is not constructed due to expiration of the authorization pursuant to section 202(a)(1)(B), the minimum goal for the District shall be reduced by 5,000 acre-feet per year. In the event that the Wasatch County Water Efficiency Project authorized in section 202(a)(3)(B) is not constructed due to expiration of the authorization pursuant to section 202(a)(3)(D), the minimum goal for the District shall be reduced by 5,000 acre-feet per year. In the event the water supply which would have been supplied by the pipeline conveyance system described in section 202(a)(1)(A) is made available and delivered to municipal and industrial or agricultural petitioners in Salt Lake, Utah or Juab Counties subsequent to the expiration of the authorization pursuant to section 202(a)(1)(B), the minimum goal for the District shall increase 5,000 acre-feet per year. In no event shall the minimum goal for the District be less than 20,000 acre-feet per year.

(B) A water management improvement inventory, containing—

(i) conservation measures to improve the efficiency of the storage, conveyance, distribution, and use of water in a manner that contributes to the accomplishment of the purposes of this section, exclusive of any measures promulgated pursuant to subsection (f)(2) (A) through (D);

(ii) the estimated economic and financial costs of each such measure;

(iii) the estimated water yield of each such measure; and

(iv) the socioeconomic and environmental effects of each such measure.

(C) A comparative analysis of each cost-effective and environmentally sound measure.

(D) A schedule of implementation for the following five years.

(E) An assessment of the performance of previously implemented conservation measures, if any. Not less than ninety days prior to its transmittal to the Secretary, the plan, or plan supplement, together with all supporting documentation demonstrating compliance with this section, shall be made available by the District for public review, hearing, and comment. All significant comments, and the District's response thereto, shall accompany the plan transmitted to the Secretary.

(2) EVALUATION OF CONSERVATION MEASURES.—

(A) Any conservation measure proposed to the District by the Executive Director of the Utah Department of Natural Resources shall be added to the water management improvement inventory and evaluated by the District. Any conservation measure, up to a cumulative five in number within any three-year period, submitted by nonprofit sportsmen or environmental organizations shall be added to the water management improvement inventory and evaluated by the District.

(B) Each conservation measure that is found to be cost-effective, without significant adverse impact to the financial integrity of the District or a petitioner of project water or without significant adverse environmental impact, and in the public interest shall be deemed to constitute the "active inventory." For purposes of this section, the determination of benefits shall take into account:

(i) the value of saved water, to be determined, in the case of municipal water, on the basis of the project municipal and industrial repayment obligation of the District, but in no case less than $200 per acre-foot, and, in the case of irrigation water, on the basis of operation, maintenance, and replacement costs plus the "full cost" rate for irrigation computed in accordance with section 202(3) of the Reclamation Reform Act of 1982 (96 Stat. 1263; 43 U.S.C. 390bb), but in no case less than $50 per acre-foot;

(ii) the reduced cost of wastewater treatment, if any;

(iii) net additional hydroelectric power generation, if any, valued at avoided cost;

(iv) net savings in operation, maintenance, and replacement costs; and

(v) net savings in on-farm costs.

(3) IMPLEMENTATION.—The District, and each petitioner of project water, as appropriate, shall implement and maintain, consistent with State law, conservation measures placed in the active inventory to the maximum practical extent necessary to achieve 50 percent of the water conservation goal within seven years after submission of the initial plan and 100 percent of the water conservation goal within fifteen years after submission of the initial plan. Priority shall be given to implementation of the most cost-effective measures that are—

(A) found to reduce consumptive use of water without significant adverse impact to the financial integrity of the District or the petitioner of project water;

(B) without significant adverse environmental impact; and

(C) found to be in the public interest.

(4) USE OF SAVED WATER.—All water saved by any conservation measure implemented by the District or a petitioner of project water under subsection (b)(3) may be retained by the District or the petitioner of project water which saved such water for its own use or disposition. The specific amounts of water saved by any conservation measure implemented under subsection (b)(3) shall be based upon the determination of yield under paragraph (b)(1)(B)(iii), and as may be confirmed or modified by assessment pursuant to paragraph (b)(1)(E). Each petitioner of project water may make available to the District water in an amount equivalent to the water saved, which the District may make available to the Secretary for instream flows in addition to the stream flow requirements established by section 303. Such instream flows shall be released from project facilities, subject to space available in project conveyance systems, to at least one watercourse in the Bonneville and Uinta River Basins, respectively, to be designated by the United States Fish and Wildlife Service as recommended by the Interagency Biological Assessment Team. Such flows shall be protected against appropriation in the same manner as the minimum streamflow requirements established by section 303. The Secretary shall reduce the annual contractual repayment obligation of the District equal to the project rate for delivered water, including operation and maintenance expenses, for water saved and accepted by the Secretary for instream flows pursuant to this subsection. The District shall credit or rebate to each petitioner of project water its proportionate share of the District's repayment savings for reductions in deliveries of project water as a result of this subsection.

(5) STATUS REPORT ON THE PLANNING PROCESS.—Prior to January 1, 1994, the District shall establish a continuous process for the identification, evaluation, and implementation of water conservation measures to achieve the purposes of this section, and submit a report thereon to the Secretary. The report shall include a description of this process, including its financial resources, technical support, public involvement, and identification of staff responsible for its development and implementation.

(c) WATER CONSERVATION PRICING STUDY.—

(1) Within three years from the date of enactment of this Act, the District, after consultation with the State and each petitioner of project water, shall prepare and transmit to the Secretary a study of wholesale and retail pricing to encourage water conservation as described in this subsection, together with its conclusions and recommendations.

(2) The purposes of this study are—

(A) to design and evaluate potential rate designs and pricing policies for water supply and wastewater treatment within the District boundary;

(B) to estimate demand elasticity for each of the principal categories of end use of water within the District boundary;

(C) to quantify monthly water savings estimated to result from the various designs and policies to be evaluated; and

(D) to identify a water pricing system that reflects the incremental scarcity value of water and rewards effective water conservation programs.

(3) Pricing policies to be evaluated in the study shall include but not be limited to the following, alone and in combination:

(A) recovery of all costs, including a reasonable return on investment, through water and wastewater service charges;

(B) seasonal rate differentials;

(C) drought year surcharges;

(D) increasing block rate schedules;

(E) marginal cost pricing;

(F) rates accounting for differences in costs based upon point of delivery; and

(G) rates based on the effect of phasing out the collection of ad valorem property taxes by the District and the petitioners of project water over a five-year and ten-year period.

The District may incorporate policies developed by the study in the Water Management Improvement Plan prepared under subsection (b).

(4) Not less than ninety days prior to its transmittal to the Secretary, the study, together with the District's preliminary conclusions and recommendations and all supporting documentation, shall be available for public review and comment, including public hearings. All significant comments, and the District's response thereto, shall accompany the study transmitted to the Secretary.

(5) Nothing in this subsection shall be deemed to authorize the Secretary, or grant new authority to the District or petitioners of project water, to require the implementation of any policies or recommendations contained in the study.

(d) STUDY OF COORDINATED OPERATIONS.—

(1) Within three years from the date of enactment of this Act, the District, after consultation with the State and each petitioner

of project water, shall prepare and transmit to the Secretary a study of the coordinated operation of independent municipal and industrial and irrigation water systems, together with its conclusions and recommendations. The District shall evaluate cost-effective flexible operating procedures that will—

(A) improve the availability and reliability of water supply;

(B) coordinate the timing of reservoir releases under existing water rights to improve instream flows for fisheries, wildlife, recreation, and other environmental values, if possible;

(C) assist in managing drought emergencies by making more efficient use of facilities;

(D) encourage the maintenance of existing wells and other facilities which may be placed on stand-by status when water deliveries from the project become available;

(E) allow for the development, protection, and sustainable use of groundwater resources in the District boundary;

(F) not reduce the benefits that would be generated in the absence of the joint operating procedures; and

(G) integrate management of surface and groundwater supplies and storage capability.

The District may incorporate measures developed by the study in the Water Management Improvement Plan prepared under subsection (b).

(2) Not less than ninety days prior to its transmittal to the Secretary, the study, together with the District's preliminary conclusions and recommendations and all supporting documentation, shall be available for public review and comment, including public hearings. All significant comments, and the District's response thereto, shall accompany the study transmitted to the Secretary.

(3) Nothing in this subsection shall be deemed to authorize the Secretary, or grant new authority to the District or petitioners of project water, to require the implementation of any operating procedures, conclusions, or recommendations contained in the study.

(e) AUTHORIZATION OF APPROPRIATIONS.—(1) For an amount not to exceed 50 percent of the cost of conducting the studies identified in subsections (c) and (d) and developing the plan identified in subsection (b), $3,000,000 shall be available from the amount authorized to be appropriated by section 201, and shall remain available until expended. Such Federal share shall be allocated among project purposes in the same proportions as the joint costs of the Strawberry Collection System, and shall be repaid in the manner of repayment for each such purpose.

(2) For an amount not to exceed 65 percent of the cost of implementation of the conservation measures in accordance with subsection (b), $50,000,000 shall be available from the amount authorized to be appropriated in section 201, and shall remain available until expended. $10,000,000 authorized by this paragraph shall be made first available for conservation measures in Wasatch County identified in the study pursuant to section 202(a)(3)(A) which measures satisfy the requirements of subsection (B)(2)(b).

(f) UTAH WATER CONSERVATION ADVISORY BOARD.—(1) Within two years of the date of enactment of this Act, the Governor of the State may establish a board consisting of nine members to be known as the Utah Water Conservation Advisory Board, with the duties described in this subsection. In the event that the Governor does not establish said board by such date, the Secretary shall establish a Utah Water Conservation Advisory Board consisting of nine members appointed by the Secretary from a list of names supplied by the Governor.

(2) The Board shall recommend water conservation standards and regulations for promulgation by State or local authorities in the service area of each petitioner of project water, including but not limited to the following:

(A) metering or measuring of water to all customers, to be accomplished within five years. (For purposes of this paragraph, residential buildings of more than four units may be considered as single customers.);

(B) elimination of declining block rate schedules from any system of water or wastewater treatment charges;

(C) a program of leak detection and repair that provides for the inspection of all conveyance and distribution mains, and the performance of repairs, at intervals of three years or less;

(D) low consumption performance standards applicable to the sale and installation of plumbing fixtures and fittings in new construction;

(E) requirements for the recycling and reuse of water by all newly constructed commercial laundries and vehicle wash facilities;

(F) requirements for soil preparation prior to the installation or seeding of turf grass in new residential and commercial construction;

(G) requirements for the insulation of hot water pipes in all new construction;

(H) requirements for the installation of water recycling or reuse systems on any newly installed commercial and industrial water-operative air-conditioning and refrigeration systems;

(I) standards governing the sale, installation, and removal of self-regenerating water softeners, including the identification of public water supply system service areas where such devices are prohibited, and the establishment of standards for the control of regeneration in all newly installed devices; and

(J) elimination of evaporation as a principal method of wastewater treatment.

(3) Any water conserved by implementation of subparagraphs (A), (B), (C), (D), or (F) of paragraph (2) shall not be credited to the conservation goal specified under subparagraph (b)(1)(A). All other water conserved shall be credited to the conservation goal specified under subparagraph (b)(1)(A).

(4) The Governor may waive the applicability of paragraphs (2)(D) through (2)(H) above to any petitioner of project water that provides water entirely for irrigation use.

(5) Within three years of the date of enactment of this Act, the board shall transmit to the Governor and the Secretary the recommended standards and regulations referred to in subparagraph (f)(2) in such form as, in the judgment of the Board, will be most likely to be promulgated within four years of the date of enactment of this Act, and the failure of the board to do so shall be deemed substantial noncompliance.

(6) Nothing in this subsection shall be deemed to authorize the Secretary, or grant new authority to the District or petitioners of project water, to require the implementation of any standards or regulations recommended by the Utah Water Conservation Advisory Board.

(g) COMPLIANCE.—(1) Notwithstanding subsections (c)(5), (d)(3) or (f)(6), if the Secretary after ninety days written notice to the District, determines that the plan referred to in subsection (b) has not been developed and implemented or the studies referred to in subsections (c) and (d) have not been completed or transmitted as provided for in this section, the District shall pay a surcharge for each year of substantial noncompliance as determined by the Secretary. The amount of the surcharge shall be:

(A) for the first year of substantial noncompliance, 5 percent of the District's annual Bonneville Unit repayment obligation to the Secretary;

(B) for the second year of substantial noncompliance, 10 percent of the District's annual Bonneville Unit repayment obligation to the Secretary; and

(C) for the third year of substantial noncompliance and any succeeding year of substantial noncompliance, 15 percent of the District's annual Bonneville Unit repayment obligation to the Secretary.

(2) If the Secretary determines that compliance has been accomplished within twelve months after a determination of substantial noncompliance, the Secretary shall refund 100 percent of the surcharge levied.

(h) RECLAMATION REFORM ACT OF 1982.—Compliance with this section shall be deemed as compliance with section 210 of the Reclamation Reform Act of 1982 (96 Stat. 1268; 43 U.S.C. 390jj) by the District and each petitioner of project water.

(i) JUDICIAL REVIEW.—(1) For the purposes of sections 701 through 706 of title 5 (U.S.C.), the determinations made by the Secretary under subsections (b), (f)(1) or (g) shall be final actions subject to judicial review.

(2) The record upon review of such final actions shall be limited to the administrative record compiled in accordance with sections 701 through 706 of title 5 (U.S.C.). Nothing in this subsection shall be construed to require a hearing pursuant to sections 554, 556, or 557 of title 5 (U.S.C.).

(3) Nothing in this subsection shall be construed to preclude judicial review of other final actions and decisions by the Secretary.

(j) CITIZEN SUITS.—(1) IN GENERAL.—Any person may commence a civil suit on their own behalf against only the Secretary for any determination made by the Secretary under this section which is alleged to have violated, is violating, or is about to violate any provision of this section or determination made under this section.

(2) JURISDICTION AND VENUE.—The district courts shall have jurisdiction to prohibit any violation by the Secretary of this section, to compel any action required by this section, and to issue any other order to further the purposes of this section. An action under this subsection may be brought in the judicial district where the alleged violation occurred or is about to occur, where fish, wildlife, or recreation resources are located, or in the District of Columbia.

(3) LIMITATIONS.—(A) No action may be commenced under paragraph (1) before sixty days after written notice of the violation has been given to the Secretary.

(B) Notwithstanding subparagraph (A), an action may be brought immediately after such notification in the case of an action under this section respecting an emergency posing a significant risk to the well-being of any species of fish or wildlife.

(C) Subparagraph (A) is intended to provide reasonable notice where possible and not to affect the jurisdiction of the courts.

(4) COSTS AWARDED BY THE COURT.—The court may award costs of litigation (including reasonable attorney and expert witness fees and expenses) to any party, other than the United States, whenever the court determines such award is appropriate.

(5) DISCLAIMER.—The relief provided by this subsection shall not restrict any right

which any person (or class of persons) may have under any statute or common law to seek enforcement of any standard or limitation or to seek any other relief.

(k) PRESERVATION OF STATE LAW.—Nothing in this section shall be deemed to preempt or supersede State law.

SEC. 208. LIMITATION ON HYDROPOWER OPERATIONS.

(a) LIMITATION.—Power generation facilities associated with the Central Utah Project and other features specified in titles II through V of this Act shall be operated and developed in accordance with the Act of April 11, 1956 (70 Stat. 109; 43 U.S.C. 620f).

(b) COLORADO RIVER BASIN WATERS.—Use of Central Utah Project water diverted out of the Colorado River Basin for power purposes shall only be incidental to the delivery of water for other authorized project purposes. Diversion of such waters out of the Colorado River Basin exclusively for power purposes is prohibited.

SEC. 209. OPERATING AGREEMENTS.

The District, in consultation with the Commission, the Utah Division of Water Rights and the Bureau, shall apply its best efforts to achieve operating agreements for the Jordanelle Reservoir, Deer Creek Reservoir, Utah Lake and Strawberry Reservoir within two years of the date of enactment of this Act.

SEC. 210. JORDAN AQUEDUCT PREPAYMENT.

Under such terms as the Secretary shall prescribe, and prior to one year after the date of enactment of this Act, the Secretary shall allow for the prepayment, or shall otherwise dispose of, repayment contracts entered into among the United States, the District, the Metropolitan Water District of Salt Lake City, and the Salt Lake County Water Conservancy District, dated May 16, 1986, providing for repayment of the Jordan Aqueduct System. In carrying out this section, the Secretary shall take such actions as he deems appropriate to accommodate, effectuate, and otherwise protect the rights and obligations of the United States and the obligors under the contracts executed to provide for payment of such repayment contracts.

SEC. 211. AUDIT OF CENTRAL UTAH PROJECT COST ALLOCATIONS.

Not later than one year after the date on which the Secretary declares the Central Utah Project to be substantially complete, the Comptroller General of the United States shall conduct an audit of the allocation of costs of the Central Utah Project to irrigation, municipal and industrial, and other project purposes and submit a report of such audit to the Secretary and to the Congress. The audit shall be conducted in accordance with regulations which the Comptroller General shall prescribe not later than one year after the date of enactment of this Act. Upon a review of such report, the Secretary shall reallocate such costs as may be necessary. Any amount allocated to municipal and industrial water in excess of the total maximum repayment obligation contained in repayment contracts dated December 28, 1965, and November 26, 1985, shall be deferred for as long as the District is not found to be in substantial noncompliance with the water management improvement program provided in section 207 and the stream flows provided in title III are maintained. If at any time the Secretary finds that such program is in substantial noncompliance or that such stream flows are not being maintained, the Secretary shall, within six months of such finding and after public notice, take action to initiate repayment of all such reimbursable costs.

SEC. 212. CROPS FOR WHICH AN ACREAGE REDUCTION PROGRAM IS IN EFFECT.

Notwithstanding any other provision of law relating to a charge for irrigation water supplied to crops for which an acreage reduction program is in effect until the construction costs of the facilities authorized by this title are repaid, the Secretary is directed to charge an acreage reduction program production charge equal to 10 percent of full cost, as defined in section 202 of the Reclamation Reform Act of 1982 (43 U.S.C. 390bb), for the delivery of project water used in the production of any crop of an agricultural commodity for which an acreage reduction program is in effect under the provisions of the Agricultural Act of 1949 if the stocks of such commodity held in storage by the Commodity Credit Corporation exceed an amount that the Secretary of Agriculture determines is necessary to provide for a reserve of such commodity that can reasonably be expected to meet a shortage of such commodity caused by drought, natural disaster, or other disruption in the supply of such commodity, as determined by the Secretary of Agriculture. The Secretary of the Interior shall announce the amount of the acreage reduction program crop production charge for the succeeding year on or before July 1 of each year.

TITLE III—FISH, WILDLIFE, AND RECREATION MITIGATION AND CONSERVATION

SEC. 301. UTAH RECLAMATION MITIGATION AND CONSERVATION COMMISSION.

(a) PURPOSE.—(1) The purpose of this section is to provide for the prompt establishment of the Utah Reclamation Mitigation and Conservation Commission in order to coordinate the implementation of the mitigation and conservation provisions of this Act among the Federal and State fish, wildlife, and recreation agencies.

(2) This section, together with applicable environmental laws and the provisions of other laws applicable to mitigation, conservation and enhancement of fish, wildlife, and recreation resources within the State, are all intended to be construed in a consistent manner. Nothing herein is intended to limit or restrict the authorities or opportunities of Federal, State, or local governments, or political subdivisions thereof, to plan, develop, or implement mitigation, conservation, or enhancement of fish, wildlife, and recreation resources in the State in accordance with other applicable provisions of Federal or State law.

(b) ESTABLISHMENT.—(1) There is established a commission to be known as the Utah Reclamation Mitigation and Conservation Commission.

(2) The Commission shall expire twenty years from the end of the fiscal year during which the Secretary declares the Central Utah Project to be substantially complete. The Secretary shall not declare the project to be substantially complete at least until such time as the mitigation and conservation projects and features provided for in section 315 have been completed in accordance with the fish, wildlife, and recreation mitigation and conservation schedule specified therein.

(c) DUTIES.—The Commission shall—

(1) formulate the policies and objectives for the implementation of the fish, wildlife, and recreation mitigation and conservation projects and features authorized in this Act;

(2) administer in accordance with subsection (f) the expenditure of funds for the implementation of the fish, wildlife, and recreation mitigation and conservation projects and features authorized in this Act;

(3) be considered a Federal agency for purposes of compliance with the requirements of all Federal fish, wildlife, recreation, and environmental laws, including (but not limited to) the Fish and Wildlife Coordination Act, the National Environmental Policy Act of 1969, and the Endangered Species Act of 1973; and

(4) develop, adopt, and submit plans and reports of its activities in accordance with subsection (g).

(d) MEMBERSHIP.—(1) The Commission shall be composed of five members appointed by the President within six months of the date of enactment of this Act, as follows:

(A) One from a list of residents of the State, who are qualified to serve on the Commission by virtue of their training or experience in fish or wildlife matters or environmental conservation matters, submitted by the Speaker of the House of Representatives upon the recommendation of the Members of the House of Representatives representing the State.

(B) One from a list of residents of the State, who are qualified to serve on the Commission by virtue of their training or experience in fish or wildlife matters or environmental conservation matters, submitted by the majority leader of the Senate upon the recommendation of the Members of the Senate representing the State.

(C) One from a list of residents of the State submitted by the Governor of the State composed of State wildlife resource agency personnel.

(D) One from a list of residents of the State submitted by the District.

(E) One from a list of residents of the State, who are qualified to serve on the Commission by virtue of their training or experience in fish and wildlife matters or environmental conservation matters and have been recommended by Utah nonprofit sportsmen's or environmental organizations, submitted by the Governor of the State.

(2)(A) Except as provided in subparagraph (B), members shall be appointed for terms of four years.

(B) Of the members first appointed—

(i) the member appointed under paragraph (1)(C) shall be appointed for a term of three years; and

(ii) the member appointed under paragraph (1)(D) shall be appointed for a term of two years.

(3) A vacancy in the Commission shall be filled within ninety days and in the manner in which the original appointment was made. Any member appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. A member may serve after the expiration of his term until his successor has taken office.

(4)(A) Except as provided in subparagraph (B), members of the Commission shall each be paid at a rate equal to the daily equivalent of the maximum of the annual rate of basic pay in effect for grade GS-15 of the General Schedule for each day (including travel time) during which they are engaged in the actual performance of duties vested in the Commission.

(B) Members of the Commission who are full-time officers or employees of the United States or the State of Utah shall receive no additional pay by reason of their service on the Commission.

(5) Three members of the Commission shall constitute a quorum but a lesser number may hold public meetings authorized by the Commission.

(6) The Chairman of the Commission shall be elected by the members of the Commission. The term of office of the Chairman shall be 1 year.

(7) The Commission shall meet at least quarterly and may meet at the call of the Chairman or a majority of its members.

(e) DIRECTOR AND STAFF OF COMMISSION; USE OF CONSULTANTS.—(1) The Commission shall have a Director who shall be appointed by the Commission and who shall be paid at a rate not to exceed the maximum rate of basic pay payable for GS-15 of the General Schedule.

(2) With the approval of the Commission, the Director may appoint and fix the pay of such personnel as the Director considers appropriate. Such personnel may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(3) With the approval of the Commission, the Director may procure temporary and intermittent services under section 3109(b) of title 5 of the United States Code, but at rates for individuals not to exceed the daily equivalent of the maximum annual rate of basic pay payable for GS-15 of the General Schedule.

(4) Upon request of the Commission, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist the Commission in carrying out its duties under this Act.

(5) Any member or agent of the Commission may, if so authorized by the Commission, take any action which the Commission is authorized to take by this section.

(6) In times of emergency, as defined by rule by the Commission, the Director may exercise the full powers of the Commission until such times as the emergency ends or the Commission meets in formal session.

(f) IMPLEMENTATION OF MITIGATION AND CONSERVATION MEASURES.—(1) The Commission shall administer the mitigation and conservation funds available under this Act to conserve, mitigate, and enhance fish, wildlife, and recreation resources affected by the development and operation of Federal reclamation projects in the State of Utah. Such funds shall be administered in accordance with this section, the mitigation and conservation schedule in section 315 of this Act, and, if in existence, the applicable five-year plan adopted pursuant to subsection (g). Expenditures of the Commission pursuant to this section shall be in addition to, not in lieu of, other expenditures authorized or required from other entities under other agreements or provisions of law.

(2) REALLOCATION OF SECTION 8 FUNDS.—Notwithstanding any provision of this Act which provides that a specified amount of section 8 funds available under this Act shall be available only for a certain purpose, if the Commission determines, after public involvement and agency consultation as provided in subsection (g)(3), that the benefits to fish, wildlife, or recreation will be better served by allocating such funds in a different manner, then the Commission may reallocate any amount so specified to achieve such benefits: *Provided, however,* That the Commission shall obtain the prior approval of the United States Fish and Wildlife Service for any reallocation from fish or wildlife purposes to recreation purposes of any of the funds authorized in the schedule in section 315.

(3) CONTRACTING AUTHORITY.—The Commission shall, for the purpose of carrying out this Act, enter into and perform such contracts, leases, grants, cooperative agreements, or other similar transactions, including the amendment, modification, or cancellation thereof and make the compromise of final settlement of any claim arising thereunder, with universities, nonprofit organizations, and the appropriate public natural resource management agency or agencies, upon such terms and conditions and in such manner as the Commission may deem to be necessary or appropriate, for the implementation of the mitigation and conservation projects and features authorized in this Act, including actions necessary for compliance with the National Environmental Policy Act of 1969.

(g) PLANNING AND REPORTING.—(1) Beginning with the first fiscal year after all members of the Commission are appointed initially, and every five years thereafter, the Commission shall develop and adopt by March 31 a plan for carrying out its duties during each succeeding five-year period. Each such plan shall consist of the specific objectives and measures the Commission intends to administer under subsection (f) during the plan period to implement the mitigation and conservation projects and features authorized in this Act.

(2) FINAL PLAN.—Within six months prior to the expiration of the Commission pursuant to this Act, the Commission shall develop and adopt a plan which shall—

(A) establish goals and measurable objectives for the mitigation and conservation of fish, wildlife, and recreation resources during the five-year period following such expiration; and

(B) recommend specific measures for the expenditure of funds from the Account established under section 402 of this Act.

(3) PUBLIC INVOLVEMENT AND AGENCY CONSULTATION.—(A) Promptly after the Commission is established under this section, and in each succeeding fiscal year, the Commission shall request from the Federal and State fish, wildlife, recreation, and water management agencies, the appropriate Indian tribes, and county and municipal entities, and the public, recommendations for objectives and measures to implement the mitigation and conservation projects and features authorized in this Act or amendments thereto. The Commission shall establish by rule a period of time not less than ninety days in length within which to receive such recommendations, as well as the format for and the information and supporting data that is to accompany such recommendations.

(B) The Commission shall give notice of all recommendations and shall make the recommendations and supporting documents available to the Federal and State fish, wildlife, recreation, and water management agencies, the appropriate Indian tribes, and the public. Copies of such recommendations and supporting documents shall be made available for review at the offices of the Commission and shall be available for reproduction at reasonable cost.

(C) The Commission shall provide for public involvement regarding the recommendations and supporting documents within such reasonable time as the Commission by rule deems appropriate.

(4) The Commission shall develop and amend the plans on the basis of such recommendations, supporting documents, and views and information obtained through public involvement and agency consultation. The Commission shall give due consideration to all substantive recommendations and measures received pursuant to section 301(g)(3)(A), and shall incorporate recommendations received from Federal and State resource agencies, county and municipal entities, and the appropriate Indian tribes, unless the Commission, in its sole judgment, determines that doing so would be inconsistent with the purposes of this Act or would interfere with or prevent the Commission from fulfilling the duties and responsibilities assigned to it in this Act, or result in inefficient or impractical resource management practices. The Commission shall include in its plan a written description of the recommendations received and adopted. In addition, the Commission shall include in its detailed report to Congress required under paragraph (g)(5) a summary of the recommendations received with a written finding explaining why such recommendations were adopted or rejected. The Commission shall include in the plans measures which it determines, on the basis set forth in paragraph (f)(1), will—

(A) restore, maintain, or enhance the biological productivity and diversity of natural ecosystems within the State and have substantial potential for providing fish, wildlife, and recreation mitigation and conservation opportunities;

(B) be based on, and supported by, the best available scientific knowledge;

(C) utilize, where equally effective alternative means of achieving the same sound biological or recreational objectives exist, the alternative that will also provide public benefits through multiple resource uses;

(D) complement the existing and future activities of the Federal and State fish, wildlife, and recreation agencies and appropriate Indian tribes;

(E) utilize, when available, cooperative agreements and partnerships with private landowners and nonprofit conservation organizations; and

(F) be consistent with the legal rights of appropriate Indian tribes.

Enhancement measures may be included in the plans to the extent such measures are designed to achieve improved conservation or mitigation of resources.

(5) AGENCY CONCURRENCE.—Commission plans developed in accordance with this subsection, or implemented under subsection (f), that affect National Forest System lands shall be subject to review and concurrence by the Secretary of Agriculture.

(6) REPORTING.—(A) Beginning on December 1 of the first fiscal year in which all members of the Commission are appointed initially, the Commission shall submit annually a detailed report to the Committee on Energy and Natural Resources of the Senate, to the Committees on Interior and Insular Affairs and on Merchant Marine and Fisheries of the House of Representatives, to the Secretary, and to the Governor of the State. The report shall describe the actions taken and to be taken by the Commission under this section, the effectiveness of the mitigation and conservation measures implemented to date, and potential revisions or modifications to the applicable mitigation and conservation plan.

(B) At least sixty days prior to its submission of such report, the Commission shall make a draft of such report available to the Federal and State fish, wildlife, recreation, and water management agencies, the appropriate Indian tribes, and the public, and establish procedures for timely comments thereon. The Commission shall include a summary of such comments as an appendix to such report.

(h) DISCRETIONARY DUTIES AND POWERS.—In addition to any other duties and powers provided by law:

(1) The Commission may depart from the fish, wildlife, and recreation mitigation and conservation schedule specified in section 315 whenever the Commission determines, after public involvement and agency consultation as provided for in this Act, that such departure would be of greater benefit to fish, wildlife, or recreation; *Provided, however*, That the Commission shall obtain the prior approval of the United States Fish and Wildlife Service for any reallocation from fish or wildlife purposes to recreation purposes of any of the funds authorized in the schedule in section 315.

(2) The Commission may, for the purpose of carrying out this Act, (A) hold such public meetings, sit and act at such times and places, take such testimony, and receive such evidence, as a majority of the Commission considers appropriate; and, (B) meet jointly with other Federal or State authorities to consider matters of mutual interest.

(3) The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out this Act. Upon request of the Director of the Commission, the head of such department or agency shall furnish such information to the Commission. At the discretion of the department or agency, such information may be provided on a reimbursable basis.

(4) The Commission may accept, use, and dispose of appropriations, gifts or grants of money or other property, or donations of services, from whatever source, only to carry out the purposes of this Act.

(5) The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(6) The Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

(7) The Commission may acquire and dispose of personal and real property and water rights, and interests therein, through donation, purchase on a willing seller basis, sale, or lease, but not through direct exercise of the power of eminent domain, in order to carry out the purposes of this Act. This provision shall not affect any existing authorities of other agencies to carry out the purposes of this Act.

(8) The Commission may make such expenditures for offices, vehicles, furnishings, equipment, supplies, and books; for travel, training, and attendance at meetings; and for such other facilities and services as may be necessary for the administration of this Act.

(9) The Commission shall not participate in litigation, except litigation pursuant to subsection (1) or condemnation proceedings initiated by other agencies.

(i) FUNDING.—(1) Amounts appropriated to the Secretary for the Commission shall be paid to the Commission immediately upon receipt of such funds by the Secretary. The Commission shall expend such funds in accordance with this Act.

(2) For each fiscal year, the Commission is authorized to use for administrative expenses an amount equal to 10 percent of the amounts available to the Commission pursuant to this Act during such fiscal year, but not to exceed $1,000,000. Such amount shall be increased by the same proportion as the contributions to the account under section 402(b)(3)(C).

(j) AVAILABILITY OF UNEXPENDED AMOUNTS UPON COMPLETION OF CONSTRUCTION PROJECTS.—Notwithstanding any other provision of law, upon the completion of any project authorized under this title, Federal funds appropriated for that project but not obligated or expended shall be deposited in the account pursuant to section 402(b)(4)(D) and shall be available to the Commission in accordance with section 402(c)(2).

(k) TRANSFER OF PROPERTY AND AUTHORITY HELD BY THE COMMISSION.—Except as provided in section 402(b)(4)(A), upon the termination of the Commission in accordance with subsection (b)—

(1) the duties of the Commission shall be performed by the Utah Division of Wildlife Resources, which shall exercise such authority in consultation with the United States Fish and Wildlife Service, the District, the Bureau, and the Forest Service; and

(2) title to any real and personal properties then held by the Commission shall be transferred to the appropriate division within the Utah Department of Natural Resources or, for such parcels of real property as may be within the boundaries of Federal land ownerships, to the appropriate Federal agency.

(l) REPRESENTATION BY ATTORNEY GENERAL.—The Attorney General of the United States shall represent the Commission in any litigation to which the Commission is a party.

(m) CONGRESSIONAL OVERSIGHT.—The activities of the Commission shall be subject to oversight by the Congress.

(n) TERMINATION OF BUREAU ACTIVITIES.—Upon appointment of the Commission as provided in subsection (b), the responsibility for implementing section 8 funds for mitigation and conservation projects and features authorized in this Act shall be transferred from the Bureau to the Commission.

SEC. 302. INCREASED PROJECT WATER CAPABILITY.

(a) ACQUISITION.—The District shall acquire, on an expedited basis with funds to be provided by the Commission in accordance with the schedule specified in section 315, by purchase from willing sellers or exchange, 25,000 acre-feet of water rights in the Utah Lake drainage basin to achieve the purposes of this section. Water purchases which would have the effect of compromising groundwater resources or dewatering agricultural lands in the Upper Provo River areas should be avoided. Of the amounts authorized to be appropriated by section 201, $15,000,000 shall be available only for the purposes of this subsection.

(b) NONCONSUMPTIVE RIGHTS.—A nonconsumptive right in perpetuity to any water acquired under this section shall be tendered in accordance with the laws of the State of Utah within thirty days of its acquisition by the District to the Utah Division of Wildlife Resources for the purposes of maintaining instream flows provided for in section 303(c)(3) and 303(c)(4) for fish, wildlife, and recreation in the Provo River.

(c) AUTHORIZATION OF APPROPRIATIONS.—Of the amounts authorized to be appropriated by section 201, $4,000,000 shall be available only to modify existing or construct new diversion structures on the Provo River below the Murdock diversion to facilitate the purposes of this section.

SEC. 303. STREAM FLOWS.

(a) STREAM FLOW AGREEMENT.—The District shall annually provide, from project water if necessary, amounts of water sufficient to sustain the minimum stream flows established pursuant to the Stream Flow Agreement.

(b) INCREASED FLOWS IN THE UPPER STRAWBERRY RIVER TRIBUTARIES.—(1) The District shall acquire, on an expedited basis with funds to be provided by the Commission, or by the Secretary in the event the Commission has not been established, in accordance with State law, the provisions of this section, and the schedule specified in section 315, all of the Strawberry basin water rights being diverted to the Heber Valley through the Daniels Creek drainage and shall apply such rights to increase minimum stream flows—

(A) in the upper Strawberry River and other tributaries to the Strawberry Reservoir;

(B) in the lower Strawberry River from the base of Soldier Creek Dam to Starvation Reservoir; and

(C) in other streams within the Uinta basin affected by the Strawberry Collection System in such a manner as deemed by the Commission in consultation with the United States Fish and Wildlife Service and the Utah State Division of Wildlife Resources to be in the best interest of fish and wildlife.

The Commission's decision under subparagraph (C) shall not establish a statutory or otherwise mandatory minimum stream flow.

(2) The District may acquire the water rights identified in paragraph (1) prior to completion of the facilities identified in paragraph (3) only by lease and for a period not to exceed two years from willing sellers or by replacement or exchange of water in kind. Such leases may be extended for one additional year with the consent of Wasatch and Utah Counties. The District shall proceed to fulfill the purposes of this subsection on an expedited basis but may not lease water from the Daniels Creek Irrigation Company before the beginning of fiscal year 1993.

(3)(A) The District shall construct with funds provided for in paragraph (4) a Daniels Creek replacement pipeline from the Jordanelle Reservoir to the existing Daniels Creek Irrigation Company water storage facility for the purpose of providing a permanent replacement of water in an amount equal to the Strawberry basin water being supplied by the District for stream flows provided in paragraph (1) which would otherwise have been diverted to the Daniels Creek drainage.

(B) Such Daniels Creek replacement water may be exchanged by the District in accordance with State law with the Strawberry basin water identified above to provide a permanent supply of water for minimum flows provided in paragraph (1). Any such permanent replacement water so exchanged into the Strawberry basin by the District shall be tendered in accordance with State law within thirty days of its exchange by the District to the Utah Division of Wildlife Resources for the purposes of providing stream flows under paragraph (1).

(C) The Daniels Creek replacement water to be supplied by the District shall be at least equal in quality and reliability to the Daniels Creek water being replaced and shall be provided by the District at a cost to the Daniels Creek Irrigation Company which does not exceed the cost of supplying existing water deliveries (including operation and maintenance) through the Daniels Creek diversion.

(4) Of the amounts authorized to be appropriated by section 201, $10,500,000 shall be available to fulfill the purposes of this section as follows:

(A) $500,000 for leasing of water pursuant to paragraph (2).

(B) $10,000,000 for construction of the Daniels Creek replacement pipeline.

(C) Funds provided by this paragraph shall not be subject to the requirements of section 204 and shall be included in the final cost allocation provided for in section 211; except that not less than $3,500,000 shall be treated as an expense under section 8, and $7,000,000 shall be treated as an expense under section 5 of the Act of April 11, 1956 (70 Stat. 110; 43 U.S.C. 105).

(D) Funds provided for the Daniels Creek replacement pipeline may be expended so as to integrate such pipeline with the Wasatch County conservation measures provided for in section 207(e)(2) and the Wasatch County Water Efficiency Project authorized in section 202(a)(3).

(c) STREAM FLOWS IN THE BONNEVILLE UNIT.—The yield and operating plans for the Bonneville Unit of the Central Utah Project shall be established or adjusted to provide for the following minimum stream flows, which flows shall be provided continuously and in perpetuity from the date first feasible, as determined by the Commission in consultation with the United States Fish and Wildlife Service and the Utah State Division of Wildlife Resources:

(1) In the Diamond Fork River drainage subsequent to completion of the Monks Hollow Dam or other structure that rediverts water from the Diamond Fork River Drainage into the Diamond Fork component of the Bonneville Unit of the Central Utah Project—

(A) in Sixth Water Creek, from the exit of Strawberry Valley tunnel to the Last Chance Powerplant and Switchyard, not less than 32 cubic feet per second during the months of May through October and not less than 25 cubic feet per second during the months of November through April, and

(B) in the Diamond Fork River, from the bottom of the Monks Hollow Dam to the Spanish Fork River, not less than 80 cubic feet per second during the months of May through September and not less than 60 cubic feet per second during the months of October through April, which flows shall be provided by the Bonneville Unit of the Central Utah Project.

(2) In the Provo River from the base of Jordanelle Dam to Deer Creek Reservoir a minimum of 125 cubic feet per second.

(3) In the Provo River from the confluence of Deer Creek and the Provo River to the Olmsted Diversion a minimum of 100 cubic feet per second.

(4) Upon the acquisition of the water rights in the Provo Drainage identified in section 302, in the Provo River from the Olmsted Diversion to Utah Lake, a minimum of 75 cubic feet per second.

(5) In the Strawberry River, from the base of Starvation Dam to the confluence with the Duchesne River, a minimum of 15 cubic feet per second.

(d) MITIGATION OF EXCESSIVE FLOWS IN THE PROVO RIVER.—The District shall, with public involvement, prepare and conduct a study and develop a plan to mitigate the effects of peak season flows in the Provo River. Such study and plan shall be developed in consultation with the Fish and Wildlife Service, the Utah Division of Water Rights, the Utah Division of Wildlife Resources, affected water right holders and users, the Commission, and the Bureau. The study and plan shall discuss and be based upon, at a minimum, all mitigation and conservation opportunities identified through—

(1) a fishery and recreational use study that addresses anticipated peak flows;

(2) study of the mitigation and conservation opportunities possible through habitat or streambed modification;

(3) study of the mitigation and conservation opportunities associated with the operating agreements referred to in section 209;

(4) study of the mitigation and conservation opportunities associated with the water acquisitions contemplated by section 302;

(5) study of the mitigation and conservation opportunities associated with section 202(2);

(6) study of the mitigation and conservation opportunities available in connection with water right exchanges; and

(7) study of the mitigation and conservation opportunities that could be achieved by construction of a bypass flowline from the base of Deer Creek Reservoir to the Olmsted Diversion.

(e) EARMARK.—Of the amounts authorized to be appropriated by section 201, $500,000 shall be available only for the implementation of subsection (d).

(f) STRAWBERRY VALLEY TUNNEL.—(1) Upon completion of the Diamond Fork System, the Strawberry Tunnel shall not be used except for deliveries of water for the instream purposes specified in subsection (c). All other waters for the Bonneville Unit and Strawberry Valley Reclamation Project purposes shall be delivered through the Diamond Fork System.

(2) Paragraph (1) shall not apply during any time in which the District, in consultation with the Commission, has determined that the Syar Tunnel or the Sixth Water Aqueduct is rendered unusable or emergency circumstances require the use of the Strawberry Tunnel for the delivery of contracted Central Utah Project water and Strawberry Valley Reclamation Project water.

SEC. 304. FISH, WILDLIFE, AND RECREATION PROJECTS IDENTIFIED OR PROPOSED IN THE 1988 DEFINITE PLAN REPORT FOR THE CENTRAL UTAH PROJECT.

The fish, wildlife, and recreation projects identified or proposed in the 1988 Definite Plan Report which have not been completed as of the date of enactment of this Act shall be completed in accordance with the 1988 Definite Plan Report and the schedule specified in section 315, unless otherwise provided in this Act.

SEC. 305. WILDLIFE LANDS AND IMPROVEMENTS.

(a) ACQUISITION OF RANGELANDS.—In addition to lands acquired on or before the date of enactment of this Act and in addition to the acreage to be acquired in accordance with the 1988 Definite Plan Report, the Commission shall acquire on an expedited basis from willing sellers, in accordance with the schedule specified in section 315 and a plan to be developed by the Commission, big game winter range lands to compensate for the impacts of Federal reclamation projects in Utah. Such lands shall be transferred to the Utah Division of Wildlife Resources or, for such parcels as may be within the boundaries of Federal land ownerships, to the appropriate Federal agency, for management as a big game winter range. In the case of such transfers, lands acquired within the boundaries of a national forest shall be administered by the Secretary of Agriculture as a part of the National Forest System.

(b) BIG GAME CROSSINGS AND WILDLIFE ESCAPE RAMPS.—In addition to the measures to be taken in accordance with the 1988 Definite Plan Report, the Commission shall construct big game crossings and wildlife escape ramps for the protection of big game animals along the Provo Reservoir Canal, Highline Canal, Strawberry Power Canal, and others. Of the amounts authorized to be appropriated by section 201, $750,000 shall be available only for the purposes of this subsection.

SEC. 306. WETLANDS ACQUISITION, REHABILITATION, AND ENHANCEMENT.

(a) WETLANDS AROUND THE GREAT SALT LAKE.—Of the amounts authorized to be appropriated by section 201, $14,000,000 shall be available only for the planning and implementation of projects to preserve, rehabilitate, and enhance wetland areas around the Great Salt Lake in accordance with a plan to be developed by the Commission.

(b) INVENTORY OF SENSITIVE SPECIES AND ECOSYSTEMS.—(1) The Commission shall, in cooperation with the Utah Division of Wildlife Resources and other appropriate State and Federal agencies, inventory, prioritize, and map the occurrences in Utah of sensitive nongame wildlife species and their habitats.

(2) Of the amounts authorized to be appropriated by section 201, $750,000 shall be available only to carry out paragraph (1) of this section.

(3) The Commission shall, in cooperation with the Utah Department of Natural Resources and other appropriate State and Federal agencies, inventory, prioritize, and map the occurrences in Utah of sensitive plant species and ecosystems.

(4) Of the amounts authorized to be appropriated by section 201, $750,000 shall be available for the Utah Natural Heritage Program only to carry out paragraph (3) of this section.

(c) UTAH LAKE WETLANDS PRESERVE.—(1) The Commission, in consultation with the Utah Division of Wildlife Resources and the United States Fish and Wildlife Service, shall, in accordance with paragraph (9), acquire private land, water rights, conservation easements, or other interests therein, necessary for the establishment of a wetlands preserve adjacent to or near the Goshen Bay and Benjamin Slough areas of Utah Lake as depicted on a map entitled "Utah Lake Wetland Preserve" and dated September, 1990. Such a map shall be on file and available for inspection in the office of the Secretary of the Interior, Washington, District of Columbia.

(2) The Secretary shall enter into an agreement under which the Wetlands Preserve acquired under subparagraph (1) shall be managed by the Utah Division of Wildlife Resources pursuant to a plan developed in consultation with the Secretary and in accordance with this Act and the substantive requirements of the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd et seq.).

(3) The Wetlands Preserve shall be managed for the protection of migratory birds, wildlife habitat, and wetland values in a manner compatible with the surrounding farmlands, orchards, and agricultural production area. Grazing will be allowed for wildlife habitat management purposes in accordance with the Act referenced in paragraph (2) and as determined by the Division to be compatible with the purposes stated herein.

(4) Nothing in this subsection shall restrict traditional agricultural practices (including the use of pesticides) on adjacent properties not included in the preserve by acquisition or easement.

(5) Nothing in this subsection shall affect existing water rights under Utah State law.

(6) Nothing in this subsection shall grant authority to the Secretary to introduce a federally protected species into the wetlands preserve.

(7) The creation of this preserve shall not in any way interfere with the operation of the irrigation and drainage system authorized by section 202(a)(1).

(8) All water rights not appurtenant to the lands purchased for the Wetlands Preserve acquired under paragraph (1) shall be purchased from the District at an amount not to exceed the cost of the District in acquiring such rights.

(9) Of the amounts authorized to be appropriated by section 201, $16,690,000 shall be available for acquisition of the lands, water rights, and other interests therein described in paragraph (1) of this subsection for the establishment of the Utah Lake Wetland Preserve.

(10) Lands, easements, or water rights may not be acquired pursuant to this subsection without the consent of the owner of such lands or water rights.

(11) Base property of a lessee or permittee (and the heirs of such lessee or permittee) under a Federal grazing permit or lease held on the date of enactment of this Act shall include any land of such lessee or permittee acquired by the Commission under this subsection.

(12) The Commission is authorized to compensate out of funds available in section 201 landowners adjacent to the Utah Lake Wetlands Preserve who experience provable economic losses attributable to the establishment of the Preserve or provable economic losses directly resulting from Preserve management practices contrary to the provisions of this subsection or from the manipulation of water levels within the Preserve. Total compensation for claims pursuant to this subsection shall not exceed $2,000,000: *Provided*, That the amount of funds available from the Commission for such compensation shall be adjusted according to the mechanism provided in section 201. The filing of a claim for compensation pursuant to this subsection shall not preclude an affected adjacent landowner from seeking other remedies or damages otherwise available under State or Federal law.

(13) Valuation of interests acquired under this subsection shall be independently determined as though the Preserve had not been established.

(14) Any property acquired under this section shall be tendered in accordance with the laws of the State of Utah within thirty days of its acquisition by the Commission to the Utah Division of Wildlife Resources.

(d) PROVO BAY.—In order to protect wetland habitat, the United States shall not issue any Federal permit which allows commercial, industrial, or residential development on the southern portion of Provo Bay in Utah Lake, as described herein and depicted on a map dated October 11, 1990, except that recreational development consistent with wildlife habitat values shall be permitted. The southern portion of Provo Bay referred to in this subsection shall be that area extending 2,000 feet out into the bay from the ordinary high water line on the south shore of Provo Bay, beginning at a point at the mouth of the Spanish Fork River and extending generally eastward along the ordinary high water line to the intersection of such line with the Provo City limit, as it existed as of October 10, 1990, on the east shore of the bay. Such a map shall be on file and available for inspection in the office of the Secretary of the Interior, Washington, District of Columbia. Nothing in this Act shall restrict present or future development of the Provo City Airport or airport access roads along the north side of Provo Bay.

SEC. 307. FISHERIES ACQUISITION, REHABILITATION, AND ENHANCEMENT.

Of the amounts authorized to be appropriated by section 201, the following amounts shall be in addition to amounts available under the 1988 Definite Plan Report and shall be available only for fisheries acquisition, rehabilitation, and improvement within the State:

(1) $750,000 for fish habitat restoration on the Provo River between the Jordanelle and Deer Creek Reservoirs.

(2) $4,000,000 for fish habitat restoration in streams impacted by Federal reclamation projects in Utah.

(3) $1,000,000 for the restoration of tributaries of the Strawberry Reservoir to assure trout spawning recruitment.

(4) $1,500,000 for post-treatment management and fishery development costs at the Strawberry Reservoir.

(5) $1,000,000 for (A) a study to be conducted as directed by the Commission to determine the appropriate means for improving Utah Lake as a warm water fishery and other related issues; and (B) development of facilities and programs to implement management objectives.

(6) $1,000,000 for fish habitat restoration and improvements in the Diamond River and Sixth Water Creek drainages.

(7) $475,000 for fish habitat restoration of native cutthroat trout populations in streams and lakes in the Bonneville Unit project area.

(8) $2,500,000 for watershed restoration and improvements, erosion control, and wildlife habitat restoration and improvements in the Avintaquin, Red, and Currant Creek drainages and other Strawberry River drainages affected by the development of Federal reclamation projects in Utah.

SEC. 308. STABILIZATION OF HIGH MOUNTAIN LAKES IN THE UINTA MOUNTAINS.

(a) REVISION OF PLAN.—The project plan for the stabilization of high mountain lakes in the Upper Provo River drainage shall be revised to require that the following lakes will be stabilized at levels beneficial for fish habitat and recreation: Big Elk, Crystal, Duck, Fire, Island, Long, Wall, Marjorie, Pot, Star, Teapot, and Weir. Overland access by vehicles or equipment for stabilization and irrigation purposes under this subsection shall be minimized within the Lakes Management Area boundary of the Wasatch-Cache National Forest to a level of practical necessity. For purposes of this subsection, the Lakes Management Area shall be defined as depicted on the map in the Wasatch-Cache National Forest Land and Resource Management Plan.

(b) COSTS OF REHABILITATION.—(1) The costs of rehabilitating water storage features at Trial, Washington, and Lost Lakes, which are to be used for project purposes, shall be borne by the project from amounts made available pursuant to section 201. Existing roads may be used for overland access to carry out such rehabilitation.

(2) The costs of stabilizing each of the lakes referred to in subsection (a) which is to be used for a purpose other than irrigation shall be treated as an expense under section 8.

(c) FISH AND WILDLIFE HABITAT.—Of the amounts authorized to be appropriated by section 201, $5,000,000 shall be available only for stabilization and fish and wildlife habitat restoration in the lakes referred to in subsection (a). This amount shall be in addition to the $7,538,000 previously authorized for appropriation under section 5 of the Act of April 11, 1956 (43 U.S.C. 620g) for the stabilization and rehabilitation of the lakes described in this section.

SEC. 309. STREAM ACCESS AND RIPARIAN HABITAT DEVELOPMENT.

(a) IN GENERAL.—Of the amounts authorized to be appropriated by section 201, the following amounts shall be in addition to amounts available under the 1988 Definite Plan Report and shall be available only for stream, access and riparian habitat development in the State:

(1) $750,000 for rehabilitation of the Provo River riparian habitat development between Jordanelle Reservoir and Utah Lake.

(2) $250,000 for rehabilitation and development of watersheds and riparian habitats along Diamond Fork and Sixth Water Creek.

(3) $350,000 for additional watershed rehabilitation, terrestrial wildlife and riparian habitat improvements, and road closures within the Central Utah Project area.

(4) $8,500,000 for the acquisition of additional recreation and angler accesses and riparian habitats, which accesses and habitats shall be acquired in accordance with the recommendation of the Commission.

(b) STUDY OF IMPACT TO WILDLIFE AND RIPARIAN HABITATS WHICH EXPERIENCE REDUCED WATER FLOWS AS A RESULT OF THE STRAWBERRY COLLECTION SYSTEM.—Of the amounts authorized to be appropriated by section 201, $400,000 shall be available only for the Commission to conduct a study of the impacts to soils and riparian fish and wildlife habitat in drainages that will experience substantially reduced water flows resulting from the operation of the Strawberry Collection System. The study shall identify mitigation opportunities that represent alternatives to increasing stream flows and make recommendations to the Commission.

SEC. 310. SECTION 8 EXPENSES.

Unless otherwise expressly provided, all of the amounts authorized to be appropriated by this Act and listed in the following sections shall be treated as expenses under section 8: all sections of title III, and section 402(b)(2).

SEC. 311. JORDAN AND PROVO RIVER PARKWAYS AND NATURAL AREAS.

(a) FISHERIES.—Of the amounts authorized to be appropriated by section 201, $1,150,000 shall be available only for fish habitat improvements to the Jordan River.

(b) RIPARIAN HABITAT REHABILITATION.—Of the amounts authorized to be appropriated by section 201, $750,000 shall be available only for Jordan River riparian habitat rehabilitation, which amount shall be in addition to amounts available under the 1988 Definite Plan Report.

(c) WETLANDS.—Of the amounts authorized to be appropriated by section 201, $7,000,000 shall be available only for the acquisition of wetland acreages, including those along the Jordan River identified by the multiagency technical committee for the Jordan River Wetlands Advance Identification Study.

(d) RECREATIONAL FACILITIES.—Of the amounts authorized to be appropriated by section 201, $500,000 shall be available only to construct recreational facilities within Salt Lake County proposed by the State of Utah for the "Provo/Jordan River Parkway", a description of which is set forth in the report accompanying the bill H.R. 429.

(2) Of the amounts authorized to be appropriated by section 201, $500,000 shall be available only to construct recreational facilities within Utah and Wasatch Counties proposed by the State of Utah for the "Provo/Jordan River Parkway", a description of which is set forth in the report accompanying the bill H.R. 429.

(e) PROVO RIVER CORRIDOR.—Of the amounts authorized to be appropriated by section 201, $1,000,000 shall be available only for riparian habitat acquisition and preservation, stream habitat improvements, and recreation and angler access provided on a willing seller basis along the Provo River from the Murdock diversion to Utah Lake, as determined by the Commission after consultation with local officials.

SEC. 312. RECREATION.

Of the amounts authorized to be appropriated by section 201, the following amounts shall be available to the Commission only for Central Utah Project recreation features:

(a) $2,000,000 for Utah Lake recreational improvements as proposed by the State and local governments.

(b) $750,000 for additional recreation improvements, which shall be made in accordance with recommendations made by the Commission, associated with Central Utah Project features and affected areas, including camping facilities, hiking trails, and signing.

SEC. 313. FISH AND WILDLIFE FEATURES IN THE COLORADO RIVER STORAGE PROJECT.

Of the amounts authorized to be appropriated by section 201, the following amounts shall be available only to provide mitigation and restoration of watersheds and fish and wildlife resources in Utah impacted by the Colorado River Storage Project:

(a) HABITAT IMPROVEMENTS IN CERTAIN DRAINAGES.—$1,125,000 shall be available only for watershed and fish and wildlife improvements in the Fremont River drainage, which shall be expended in accordance with a plan developed by the Commission in consultation with the Wayne County Water Conservancy District.

(b) SMALL DAMS AND WATERSHED IMPROVEMENTS.—$4,000,000 shall be available only for land acquisition for the purposes of watershed restoration and protection in the Albion Basin in the Wasatch Mountains and for restoration and conservation related improvements to small dams and watersheds on State of Utah lands and National Forest System lands within the Central Utah Project and the Colorado River Storage Project area in Utah, which amounts shall be expended in accordance with a plan developed by the Commission.

(c) FISH HATCHERY PRODUCTION.—$22,800,000 shall be available only for the planning and implementation of improvements to existing hatchery facilities or the construction and development of new fish hatcheries to increase production of warmwater and coldwater fishes for the areas affected by the Colorado River Storage Project in Utah. Such improvements and construction shall be implemented in accordance with a plan identifying the long-term needs and management objectives for hatchery production prepared by the United States Fish and Wildlife Service, in consultation with the Utah Division of Wildlife Resources, and adopted by the Commission. The cost of operating and maintaining such new or improved facilities shall be borne by the Secretary.

SEC. 314. CONCURRENT MITIGATION APPROPRIATIONS.

Notwithstanding any other provision of this Act, the Secretary is directed to allocate funds appropriated for each fiscal year pursuant to titles II through IV of this Act as follows:

(a) Deposit the Federal contribution to the Account authorized in section 402(b)(2); then,

(b) Of any remaining funds, allocate the amounts available for implementation of the mitigation and conservation projects and features specified in the schedule in section 315 concurrently with amounts available for implementation of title II of this Act.

(c) Of the amounts allocated for implementation of the mitigation and conservation projects and features specified in the schedule in section 315, 3 percent of the total shall be used by the Secretary to fulfill subsections (d) and (e) of this section.

(d) The Secretary shall use the sums identified in subsection (c) outside the State of Utah to—

(1) restore damaged natural ecosystems on public lands and waterways affected by the Federal Reclamation program;

(2) acquire, from willing sellers only, other lands and properties, including water rights, or appropriate interests therein, with restorable damaged natural ecosystems, and restore such ecosystems;

(3) provide jobs and sustainable economic development in a manner that carries out the other purposes of this subsection;

(4) provide expanded recreational opportunities; and

(5) support and encourage research, training, and education in methods and technologies of ecosystem restoration.

(e) In implementing subsection (d), the Secretary shall give priority to restoration and acquisition of lands and properties or appropriate interests therein where repair of compositional, structural, and functional values will—

(1) reconstitute natural biological diversity that has been diminished;

(2) assist the recovery of species populations, communities, and ecosystems that are unable to survive on-site without intervention;

(3) allow reintroduction and reoccupation by native flora and fauna;

(4) control or eliminate exotic flora and fauna that are damaging natural ecosystems;

(5) restore natural habitat for the recruitment and survival of fish, waterfowl, and other wildlife;

(6) provide additional conservation values to State and local government lands;

(7) add to structural and compositional values of existing ecological preserves or enhance the viability, defensibility, and manageability of ecological preserves; and

(8) restore natural hydrological effects including sediment and erosion control, drainage, percolation, and other water quality improvement capacity.

SEC. 315. FISH, WILDLIFE, AND RECREATION SCHEDULE.

The mitigation and conservation projects and features shall be implemented in accordance with the following schedule:

FISH, WILDLIFE, AND RECREATION MITIGATION AND CONSERVATION SCHEDULE

I. BUDGET TO IMPLEMENT ADDITIONAL RECLAMATION MITIGATION

Projects and Features	Appropriations (Thousands of 1990 Dollars)			
	TOTAL	FY93	FY94	FY95
Instream flows.				
1.a Lease of Daniels Creek water rights	$500	$500	$0	$0
b. Acquisition of Daniels Creek water rights to restore Upper Strawberry River flows and the Daniels Creek replacement pipeline ($3,500,000 shall be treated as section 8) [Sec. 303(b)]	$10,0000	$10,000	$0	$0
2.a. Acquisition of 25,000 AF on Provo River for streamflows from Murdock Diversion to Utah Lake [Sec. 302]	$15,000	$5,000	$5,000	$5,000
b. Modify or replace diversion structures on Provo River from Murdock Diversion to Utah Lake [Sec. 302]	$4,000	$500	$1,500	$1,500
3. Study and mitigation plan for excessive flows in the Provo River [Sec. 303(d)]	$500	$100	$100	$100
Subtotal	$30,000	$16,100	$6,600	$6,600
	FY96	FY97	FY98	
Instream flows				
1.a. Lease of Daniels Creek water rights	$0	$0	$0	
b. Acquisition of Daniels Creek water rights to restore Upper Strawberry River flows and the Daniels Creek replacement pipeline ($3,500,000 shall be treated as section 8) [Sec. 303(b)]	$0	$0	$0	

FISH, WILDLIFE, AND RECREATION MITIGATION AND CONSERVATION SCHEDULE—Continued

I. BUDGET TO IMPLEMENT ADDITIONAL RECLAMATION MITIGATION

Projects and Features	Appropriations (Thousands of 1990 Dollars)			
	TOTAL	FY93	FY94	FY95
2.a. Acquisition of 25,000 AF on Provo River for streamflows from Murdock Diversion to Utah Lake [Sec. 302]	$0	$0	$0	
b. Modify or replace diversion structures on Provo River from Murdock Diversion to Utah Lake [Sec. 302]	$500	$0	$0	
3. Study and mitigation plan for excessive flows in the Provo River [Sec. 303(d)]	$100	$100	$0	
Subtotal	$600	$100	$0	
	TOTAL	FY93	FY94	FY95
Wildlife lands and improvement				
1. Acquisition of big game winter range [Sec. 305(a)]	$1,300	$0	$100	$200
2. Construction of big game crossings and escape ramps—Provo Res. Canal, Highline Canal, Strawberry Power Canal or others [Sec. 305(b)]	$750	$0	$0	$250
Subtotal	$2,050	$0	$100	$450
	FY96	FY97	FY98	
Wildlife lands and improvement				
1. Acquisition of big game winter range [Sec. 305(a)]	$500	$500	$0	
2. Construction of big game crossings and escape ramps—Provo Res. Canal, Highline Canal, Strawberry Power Canal or others [Sec. 305(b)]	$250	$250	$0	
Subtotal	$750	$750	$0	
	FY96	FY97	FY98	
Wetland acquisitions rehabilitation, and development				
1. Rehabilitation & enhancement of wetlands around Great Salt Lake [Sec. 306(a)]	$14,000	$1,000	$2,600	$2,600
2. Wetland acquisition along the Jordan River [Sec. 311(c)]	$7,000	$300	$1,200	$1,500
3. Inventory of sensitive species and ecosystems [Sec. 306(b)]	$1,500	$250	$250	$250
4. Acquisition of lands, waters, and interests for Utah Lake Wetland Preserve [Sec. 306(c)(9)]	$16,690	$1,690	$3,000	$3,000
Subtotal	$39,190	$3,240	$7,050	$7,350
	FY96	FY97	FY98	
Wetland acquisition, rehabilitation, and development				
1. Rehabilitation & enhancement of wetlands around Great Salt Lake [Sec. 306(a)]	$2,600	$2,600	$2,600	
2. Wetland acquisition along the Jordan River [Sec. 311(c)]	$2,000	$2,600	$0	
3. Inventory of sensitive species and ecosystems [Sec. 306(b)]	$250	$250	$250	
4. Acquisition of lands, waters, and interests for Utah Lake Wetland Preserve [Sec. 303(c)(9)]	$3,000	$3,000	$3,000	
Subtotal	$7,850	$7,850	$5,850	
	TOTAL	FY93	FY94	FY95
Fisheries acquisition and restoration				
1. Fish habitat restoration on Provo River between Jordanelle Dam and Deer Creek Reservoir [Sec. 307(1)]	$750	$50	$0	$100
2. Fish habitat improvements to streams impacted by Federal reclamation projects in Utah [Sec. 307(2)]	$4,000	$0	$400	$600
3. Rehabilitation of tributaries to Strawberry Reservoir for trout reproduction [Sec. 307(3)]	$1,000	$200	$200	$200
4. Strawberry Reservoir post-treatment management and development [Sec. 307(4)]	$1,500	$300	$300	$300
5. Study and facilitate development to improve Utah Lake warm-water fishery [Sec. 307(5)]	$1,000	$150	$150	$200

FISH, WILDLIFE, AND RECREATION MITIGATION AND CONSERVATION SCHEDULE—Continued

I. BUDGET TO IMPLEMENT ADDITIONAL RECLAMATION MITIGATION

Projects and Features	Appropriations (Thousands of 1990 Dollars)			
	TOTAL	FY93	FY94	FY95
6. Fish habitat improvements to Diamond Fork and Sixth Water Creek drainages [Sec. 307(6)]	$1,000	$0	$0	$0
7. Restoration of native cutthroat trout populations [Sec. 307(7)]	$475	$50	$50	$75
8. Fish habitat improvements to the Jordan River [Sec. 311(a)]	$1,150	$0	$0	$100
9. Stabilization of Upper Provo River reservoirs for fishery improvement [Sec. 308]	$5,000	$0	$0	$0
10. Development of additional fish hatchery production for CRSP waters in Utah [Sec. 313]	$22,800	$100	$3,500	$4,200
Subtotal	$38,675	$850	$4,600	$5,775
	FY96	FY97	FY98	
Fisheries acquisition and restoration				
1. Fish habitat restoration on Provo River between Jordanelle Dam and Deer Creek Reservoir [Sec. 307(1)]	$200	$200	$200	
2. Fish habitat improvements to streams impacted by Federal reclamation projects in Utah [Sec. 307(2)]	$1,000	$1,000	$1,000	
3. Rehabilitation of tributaries to Strawberry Reservoir for trout reproduction [Sec. 307(3)]	$200	$200	$0	
4. Strawberry Reservoir post-treatment management and development [Sec. 307(4)]	$300	$300	$0	
5. Study and facilitate development to improve Utah Lake warmwater fishery [Sec. 307(5)]	$150	$150	$200	
6. Fish habitat improvements to Diamond Fork and Sixth Water Creek drainages [Sec. 307(6)]	$100	$500	$400	
7. Restoration of native cutthroat trout populations [Sec. 307(7)]	$100	$100	$100	
8. Fish habitat improvements to the Jordan River [Sec. 311(a)]	$300	$400	$350	
9. Stabilization of Upper Provo River reservoirs for fishery improvement [Sec. 308]	$500	$2,000	$2,500	
10. Development of additional fish hatchery production for CRSP waters in Utah [Sec. 313]	$5,000	$5,000	$5,000	
Subtotal	$7,850	$9,850	$9,750	
	TOTAL	FY93	FY94	FY95
Watershed Improvements				
1. Projects for watershed improvement, erosion control, wildlife range improvements in Avintaquin Cr, Red Cr, Currant Cr and other drainages [Sec. 307(8)]	$2,500	$0	$500	$500
2. Watershed, stream and riparian improvements in Fremont River drainage [Sec. 313(a)]	$1,125	$125	$200	$200
3. Small dam and watershed improvements in the CRSP area in Utah [Sec. 313(b)]	$4,000	$500	$700	$700
Subtotal	$7,625	$625	$1,400	$1,400
	FY96	FY97	FY98	
Watershed Improvements				
1. Projects for watershed improvement, erosion control, wildlife range improvements in Avintaquin Cr, Red Cr, Currant Cr and other drainages [Sec. 307(8)]	$500	$500	$500	
2. Watershed, stream and riparian improvements in Fremont River drainage [Sec. 313(a)]	$200	$200	$200	
3. Small dam and watershed improvements in the CRSP area in Utah [Sec. 313(b)]	$700	$700	$700	
Subtotal	$1,400	$1,400	$1,400	
	TOTAL	FY93	FY94	FY95
Stream Access and Riparian Habitat Development				
1. Rehabilitation of riparian habitat along Provo River from Jordanelle Dam to Utah Lake [Sec. 309(a)(1)]	$750	$0	$250	$250

FISH, WILDLIFE, AND RECREATION MITIGATION AND CONSERVATION SCHEDULE—Continued

I. BUDGET TO IMPLEMENT ADDITIONAL RECLAMATION MITIGATION

Projects and Features	Appropriations (Thousands of 1990 Dollars)			
	TOTAL	FY93	FY94	FY95
2. Restoration of watersheds and riparian habitats in the Diamond Fork and Sixth Water Creek drainages [Sec. 309(a)(2)]	$250	$0	$0	$50
3. Watershed stabilization, terrestrial wildlife habitat improvements and road closures [Sec. 309(a)(3)]	$350	$0	$0	$50
4. Acquisition of angler and other recreational access, in addition to the 1988 DPR [Sec. 309(a)(4)]	$8,500	$500	$1,000	$1,500
5. Study of riparian impacts caused by CUP from reduced streamflows, and identify mitigation opportunities [Sec. 309(b)]	$400	$50	$75	$75
6. Riparian rehabilitation and development along Jordan River [Sec. 311(b)]	$750	$75	$75	$150
Subtotal	$11,000	$625	$1,400	$2,075
	FY96	FY97	FY98	
Stream Access and Riparian Habitat Development				
1. Rehabilitation of riparian habitat along Provo River from Jordanelle Dam to Utah Lake [Sec. 309(a)(1)]	$250	$0	$0	
2. Restoration of watersheds and riparian habitats in the Diamond Fork and Sixth Water Creek drainages [Sec. 309(a)(2)]	$100	$100	$0	
3. Watershed stabilization, terrestrial wildlife habitat improvements and road closures [Sec. 309(a)(3)]	$100	$100	$100	
4. Acquisition of angler and other recreational access, in addition to the 1988 DPR [Sec. 309(a)(4)]	$1,500	$2,000	$2,000	
5. Study of riparian impacts caused by CUP from reduced streamflows, and identify mitigation opportunities [Sec. 309(b)]	$75	$75	$50	
6. Riparian rehabilitation and development along Jordan River [Sec. 311(b)]	$150	$150	$150	
Subtotal	$2,175	$2,425	$2,300	
	TOTAL	FY93	FY94	FY95
Recreation funds				
1. Recreational improvements at Utah Lake [Sec. 312(a)]	$2,000	$125	$275	$400
2. Recreation facilities at other CUP features, as recommended [Sec. 312(b)]	$750	$50	$100	$150
3. Provo/Jordan River Parkway Development [Sec. 311(d)]	$1,000	$0	$75	$75
4. Provo River corridor development [Sec. 311(e)]	$1,000	$0	$75	$75
Subtotal	$4,750	$175	$525	$700
Total Additional	$133,290	$21,615	$21,675	$24,350
	FY96	FY97	FY98	
Recreation funds				
1. Recreational improvements at Utah Lake [Sec. 312(a)]	$400	$400	$400	
2. Recreation facilities at other CUP features, as recommended [Sec. 312(b)]	$150	$150	$150	
3. Provo/Jordan River Parkway Development [Sec. 311(d)]	$200	$300	$350	
4. Provo River corridor development [Sec. 311(e)]	$200	$300	$350	
Subtotal	$950	$1,150	$1,250	
Total Additional	$21,575	$23,525	$20,550	
Strawberry collection system				
1. Acquire angler access on about 35 miles of streams identified in the Aquatic Mitigation Plan	$2,700	$900	$900	$900
2. Construct fish habitat improvements on about 70 miles of streams as identified in the Aquatic Mitigation Plan	$3,990	$666	$803	$790
3. Rehabilitation of Strawberry Project wildlife and riparian habitats	$3,000	$600	$600	$600

FISH, WILDLIFE, AND RECREATION MITIGATION AND CONSERVATION SCHEDULE—Continued

I. BUDGET TO IMPLEMENT ADDITIONAL RECLAMATION MITIGATION

Projects and Features	Appropriations (Thousands of 1990 Dollars)			
	TOTAL	FY93	FY94	FY95
Subtotal	$9,690	$3,966	$1,403	$1,390
	FY96	FY97	FY98	
Strawberry collection system				
1. Acquire angler access on about 35 miles of streams identified in the Aquatic Mitigation Plan	$0	$0	$0	
2. Construct fish habitat improvements on about 70 miles of streams as identified in the Aquatic Mitigation Plan	$453	$604	$674	
3. Rehabilitation of Strawberry Project wildlife and riparian habitats	$600	$600	$0	
Subtotal	$1,053	$1,204	$674	
	TOTAL	FY93	FY94	FY95
Duchesne canal rehabilitation				
1. Acquire and develop 782 acres along Duchesne River	$160	$160	$0	$0
Subtotal	$160	$160	$0	$0
	FY96	FY97	FY98	
Duchesne canal rehabilitation				
1. Acquire and develop 782 acres along Duchesne River	$0	$0	$0	
Subtotal	$0	$0	$0	
	TOTAL	FY93	FY94	FY95
Municipal and industry system				
1. Fence and develop big game on north shoreline of Jordanelle Reservoir	$226	$100	$126	$0
2. Acquire angler access to entire reach of Provo River from Jordanelle Dam to Deer Creek Reservoir	$1,050	$525	$525	$0
3. Aquire and develop 100 acres of wetland at base of Jordanelle Dam	$900	$900	$0	$0
Subtotal	$2,176	$1,525	$651	$0
Total DPR	$12,026	$5,651	$2,054	$1,390
Grand Total	$145,316	$27,266	$23,729	$25,740
	FY96	FY97	FY98	
Municipal and industry system				
1. Fence and develop big game on north shoreline of Jordanelle Reservoir	$0	$0	$0	
2. Acquire angler access to entire reach of Provo River from Jordanelle Dam to Deer Creek Reservoir	$0	$0	$0	
3. Aquire and develop 100 acres of wetland at base of Jordanelle Dam	$0	$0	$0	
Subtotal	$0	$0	$0	
Total DPR	$1,053	$1,204	$674	
Grand Total	$22,628	$24,729	$21,224	

TITLE IV—UTAH RECLAMATION MITIGATION AND CONSERVATION ACCOUNT

SEC. 401. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) the State of Utah is a State in which one of the largest trans-basin water diversions occurs, dewatering important natural areas as a result of the Colorado River Storage Project;

(2) the State of Utah is one of the most ecologically significant States in the Nation, and it is therefore important to protect, mitigate, and enhance sensitive species and ecosystems through effective long term mitigation;

(3) the challenge of mitigating the environmental consequences associated with trans-basin water diversions are complex and involve many projects and measures (some of which are presently unidentifiable) and the costs for which will continue after projects of the Colorado River Storage Project in Utah are completed; and

(4) environmental mitigation associated with the development of the projects of the Colorado River Storage Project in the State of Utah are seriously in arrears.

(b) PURPOSES.—The purpose of this title is to establish an ongoing account to ensure that—

(1) the level of environmental protection, mitigation, and enhancement achieved in connection with projects identified in this Act and elsewhere in the Colorado River Storage Project in the State of Utah is preserved and maintained;

(2) resources are available to manage and maintain investments in fish and wildlife and recreation features of the projects identified in this Act and elsewhere in the Colorado River Storage Project in the State of Utah;

(3) resources are available to address known environmental impacts of the projects identified in this Act and elsewhere in the Colorado River Storage Project in the State of Utah for which no funds are being specifically authorized for appropriation and earmarked under this Act; and

(4) resources are available to address presently unknown environmental needs and opportunities for enhancement within the areas of the State of Utah affected by the projects identified in this Act and elsewhere in the Colorado River Storage Project.

SEC. 402. UTAH RECLAMATION MITIGATION AND CONSERVATION ACCOUNT.

(a) ESTABLISHMENT.—There is hereby established in the Treasury of the United States a Utah Reclamation Mitigation and Conservation Account (hereafter in this title referred to as the "Account"). Amounts in the Account shall be available for the purposes set forth in section 401(b).

(b) DEPOSITS INTO THE ACCOUNT.—Amounts shall be deposited into the Account as follows:

(1) STATE CONTRIBUTIONS.—In each of fiscal years 1994 through 2001, or until the fiscal year in which the project is declared substantially complete, whichever occurs first, a voluntary contribution of $3,000,000 from the State of Utah.

(2) FEDERAL CONTRIBUTIONS.—In each of fiscal years 1994 through 2001, or until the fiscal year in which the project is declared substantially complete, whichever occurs first, $5,000,000 from amounts authorized to be appropriated by section 201, which shall be treated as an expense under section 8.

(3) CONTRIBUTIONS FROM PROJECT BENEFICIARIES.—(A) In each of fiscal years 1994 through 2001, or until the fiscal year in which the project is declared substantially complete in accordance with this Act, whichever occurs first, $750,000 in non-Federal funds from the District.

(B) $5,000,000 annually by the Secretary of Energy out of funds appropriated to the Western Area Power Administration, such expenditures to be considered nonreimbursable and nonreturnable.

(C) The annual contributions described in subparagraphs (A) and (B) shall be increased proportionally on March 1 of each year by the same percentage increase during the previous calendar year in the Consumer Price Index for urban consumers, published by the Department of Labor.

(4) INTEREST AND UNEXPENDED FUNDS.—(A) Any amount authorized and earmarked for fish, wildlife, or recreation expenditures which is appropriated but not obligated or expended by the Commission upon its termination under section 301.

(B) All funds annually appropriated to the Secretary for the Commission.

(C) All interest earned on amounts in the Account.

(D) Amounts not obligated or expended after the completion of a construction project and available pursuant to section 301(j).

(c) OPERATION OF THE ACCOUNT.—(1) All funds deposited as principal in the Account shall earn interest in the amount determined by the Secretary of the Treasury on the basis of the current average market yield on outstanding marketable obligations of the United States of comparable maturities. Such interest shall be added to the principal of the Account until completion of the projects and features specified in the schedule in section 315. After completion of such projects and features, all interest earned on amounts remaining in or deposited to the principal of the Account shall be available to the Commission pursuant to subsection (c)(2) of this section.

(2) The Commission is authorized to administer and expend all sums deposited into the Account pursuant to subsections (b)(4)(D), (b)(3)(A), and (b)(3)(B), as well as interest not deposited to the principal of the Account pursuant to paragraph (1) of this subsection. The Commission may elect to deposit funds not expended under subsections (b)(4)(D), (b)(3)(A), and (b)(3)(B) into the Account as principal.

(3) All amounts deposited in the Account pursuant to subsections (b) (1) and (2), and any amount deposited as principal under paragraphs (c)(1) and (c)(2), shall constitute the principal of the Account. No part of the principal amount may be expended for any purpose.

(d) ADMINISTRATION BY THE UTAH DIVISION OF WILDLIFE RESOURCES.—(1) After the date on which the Commission terminates under section 301, the Utah Division of Wildlife Resources or its successor shall receive:

(A) all amounts contributed annually to the Account pursuant to section 402(b)(3)(B); and

(B) all interest on the principal of the Account, at the beginning of each year. The portion of the interest earned on the principal of the account that exceeds the amount required to increase the principal of the account proportionally on March 1 of each year by the percentage increase during the previous calendar year in the Consumer Price Index for urban consumers published by the Department of Labor, shall be available for expenditure by the Division in accordance with this section.

(2) The funds received by the Utah Division of Wildlife Resources under paragraph (1) shall be expended in a manner that fulfills the purposes of the Account established under this Act, in consultation with and pursuant to, a conservation plan and amendments thereto to be developed by the Utah Division of Wildlife Resources, in cooperation with the United States Forest Service, the Bureau of Land Management of the Department of the Interior, and the United States Fish and Wildlife Service.

(3) The funds to be distributed from the Account shall not be applied as a substitute for funding which would otherwise be provided or available to the Utah Division of Wildlife Resources.

(e) AUDIT BY INSPECTOR GENERAL.—The financial management of the Account shall be subject to audit by the Inspector General of the Department of the Interior.

TITLE V—UTE INDIAN RIGHTS SETTLEMENT

SEC. 501. FINDINGS.

(a) FINDINGS.—The Congress finds the following—

(1) The unquantified Federal reserved water rights of the Ute Indian Tribe are the subject of existing claims and prospective lawsuits involving the United States, the State, and the District and numerous other water users in the Uinta Basin. The State and the Tribe negotiated, but did not implement, a compact to quantify the Tribe's reserved water rights.

(2) There are other unresolved Tribal claims arising out of an agreement dated September 20, 1965, where the Tribe deferred development of a portion of its reserved water rights for 15,242 acres of the Tribe's Group 5 Lands in order to facilitate the construction of the Bonneville Unit of the Central Utah Project. In exchange the United States undertook to develop substitute water for the benefit of the Tribe.

(3) It was intended that the Central Utah Project, through construction of the Upalco and Uintah units (Initial Phase) and the Ute Indian Unit (Ultimate Phase) would provide water for growth in the Uinta Basin and for late season irrigation for both the Indians and non-Indian water users. However, construction of the Upalco and Uintah Units has not been undertaken, in part because the Bureau was unable to find adequate and economically feasible reservoir sites. The Ute Indian unit has not been authorized by Congress, and there is no present intent to proceed with Ultimate Phase Construction.

(4) Without the implementation of the plans to construct additional storage in the Uinta Basin, the water users (both Indian and non-Indian) continue to suffer water shortages and resulting economic decline.

(b) PURPOSE.—This Act and the proposed Revised Ute Indian Compact of 1990 are intended to—

(1) quantify the Tribe's reserved water rights;

(2) allow increased beneficial use of such water; and

(3) put the Tribe in the same economic position it would have enjoyed had the features contemplated by the September 20, 1965 Agreement been constructed.

SEC. 502. PROVISIONS FOR PAYMENT TO THE UTE INDIAN TRIBE.

(a) BONNEVILLE UNIT TRIBAL CREDITS.—(1) Commencing one year after the date of enactment of this Act and continuing for fifty years, the Tribe shall receive from the United States 26 percent of the annual Bonneville Unit municipal and industrial capital repayment obligation attributable to 35,500 acre-feet of water, which represents a portion of the Tribe's water rights that were to be supplied by storage from the Central Utah Project, but will not be supplied because the Upalco and Uintah units are not to be constructed.

(2)(A) Commencing in the year 2042, the Tribe shall collect from the District 7 percent of the then fair market value of 35,500 acre-feet of Bonneville Unit agricultural water which has been converted to municipal and industrial water. The fair market value of such water shall be recalculated every five years.

(B) In the event 35,500 acre-feet of Bonneville Unit converted agricultural water to municipal and industrial have not yet been marketed as of the year 2042, the Tribe shall receive 7 percent of the fair market value of the first 35,500 acre-feet of such water converted to municipal and industrial water. The monies received by the Tribe under this title shall be utilized by the Tribe for governmental purposes, shall not be distributed per capita, and shall be used to enhance the educational, social, and economic opportunities for the Tribe.

(b) BONNEVILLE UNIT TRIBAL WATERS.—The Secretary is authorized to make any unused capacity in the Bonneville Unit Strawberry Aqueduct and Collection System diversion facilities available for use by the Tribe. Unused capacity shall constitute capacity, only

as available, in excess of the needs of the District for delivery of Bonneville Unit water and for satisfaction of minimum streamflow obligations established by this Act. In the event that the Tribe elects to place water in these components of the Bonneville Unit system, the Secretary and District shall only impose an operation and maintenance charge. Such charge shall commence at the time of the Tribe's use of such facilities. The operation and maintenance charge shall be prorated on a per acre-foot basis, but shall only include the operation and maintenance costs of facilities used by the Tribe and shall only apply when the Tribe elects to use the facilities. As provided in the Ute Indian Compact, transfers of certain Indian reserved rights water to different lands or different uses will be made in accordance with the laws of the State of Utah governing change or exchange applications.

(c) ELECTION TO RETURN TRIBAL WATERS.—Notwithstanding the authorization provided for in subparagraph (b), the Tribe may at any time elect to return all or a portion of the water which it delivered under subparagraph (b) for use in the Uinta Basin. Any such Uinta Basin use shall protect the rights of non-Indian water users existing at the time of the election. Upon such election, the Tribe will relinquish any and all rights which it may have acquired to transport such water through the Bonneville Unit facilities.

SEC. 503. TRIBAL USE OF WATER.

(a) RATIFICATION OF REVISED UTE INDIAN COMPACT.—The Revised Ute Indian Compact of 1990, dated October 1, 1990, reserving waters to the Ute Indian Tribe and establishing the uses and management of such Tribal waters, is hereby ratified and approved, subject to reratification by the State and the Tribe. The Secretary is authorized to take all actions necessary to implement the Compact.

(b) THE INDIAN INTERCOURSE ACT.—The provisions of section 2116 of the Revised Statutes (25 U.S.C. 177) shall not apply to any water rights confirmed in the Compact. Nothing in this subsection shall be considered to amend, construe, supersede or preempt any State law, Federal law, interstate compact or international treaty that pertains to the Colorado River or its tributaries, including the appropriation, use, development and storage, regulation, allocation, conservation, exportation or quality of those waters.

(c) RESTRICTION ON DISPOSAL OF WATERS INTO THE LOWER COLORADO RIVER BASIN.—None of the waters secured to the Tribe in the Revised Ute Indian Compact of 1990 may be sold, exchanged, leased, used, or otherwise disposed of into or in the Lower Colorado River Basin, below Lees Ferry, unless water rights within the Upper Colorado River Basin in the State of Utah held by non-Federal, non-Indian users could be so sold, exchanged, leased, used, or otherwise disposed of under Utah State law, Federal law, interstate compacts, or international treaty pursuant to a final, nonappealable order of a Federal court or pursuant to an agreement of the seven States signatory to the Colorado River Compact: *Provided, however*, That in no event shall such transfer of Indian water rights take place without the filing and approval of the appropriate applications with the Utah State Engineer pursuant to Utah State law.

(d) USE OF WATER RIGHTS.—The use of the rights referred to in subsection (a) within the State of Utah shall be governed solely as provided in this section and the Revised Compact referred to in section 503(a). The Tribe may voluntarily elect to sell, exchange, lease, use, or otherwise dispose of any portion of a water right confirmed in the Revised Compact off the Uintah and Ouray Indian Reservation. If the Tribe so elects, and as a condition precedent to such sale, exchange, lease, use, or other disposition, that portion of the Tribe's water right shall be changed to a State water right, but shall be such a State water right only during the use of that right off the reservation, and shall be fully subject to State laws, Federal laws, interstate compacts, and international treaties applicable to the Colorado River and its tributaries, including the appropriation, use, development, storage, regulation, allocation, conservation, exportation, or quality of those waters.

(e) RULES OF CONSTRUCTION.—Nothing in titles II through VI of this Act or in the Revised Ute Indian Compact of 1990 shall—

(1) constitute authority for the sale, exchange, lease, use, or other disposal of any Federal reserved water right off the reservation;

(2) constitute authority for the sale, exchange, lease, use, or other disposal of any Tribal water right outside the State of Utah; or

(3) be deemed a Congressional determination that any holders of water rights do or do not have authority under existing law to sell, exchange, lease, use, or otherwise dispose of such water or water rights outside the State of Utah.

SEC. 504. TRIBAL FARMING OPERATIONS.

Of the amounts authorized to the appropriated by section 201, $45,000,000 is authorized for the Secretary to permit the Tribe to develop over a three-year period—

(1) a 7,500 acre farming/feed lot operation equipped with satisfactory off-farm and on-farm water facilities out of tribally-owned lands and adjoining non-Indian lands now served by the Uintah Indian Irrigation Project;

(2) a plan to reduce the Tribe's expense on the remaining sixteen thousand acres of tribal land now served by the Uintah Indian Irrigation Project; and

(3) a fund to permit tribal members to upgrade their individual farming operations.

Any non-Indian lands acquired under this section shall be acquired from willing sellers and shall not be added to the reservation of the Tribe.

SEC. 505. RESERVOIR, STREAM, HABITAT AND ROAD IMPROVEMENTS WITH RESPECT TO THE UTE INDIAN RESERVATION.

(a) REPAIR OF CEDARVIEW RESERVOIR.—Of the amount authorized to be appropriated by section 201, $5,000,000 shall be available to Secretary, in cooperation with the Tribe, to repair the leak in Cedarview Reservoir in Dark Canyon, Duchesne County, Utah, so that the resultant surface area of the reservoir is two hundred and ten acres.

(b) RESERVATION STREAM IMPROVEMENTS.—Of the amount authorized to be appropriated by section 201, $10,000,000 shall be available for the Secretary, in cooperation with the Tribe and in consultation with the Commission, to undertake stream improvements to not less than 53 linear miles (not counting meanders) for the Pole Creek, Rock Creek, Yellowstone River, Lake Fork River, Uinta River, and Whiterocks River, in the State of Utah. Nothing in this authorization shall increase the obligation of the District to deliver more than 44,400 acre-feet of Central Utah Project water as its contribution to the preservation of minimum stream flows in the Uinta Basin.

(c) BOTTLE HOLLOW RESERVOIR.—Of the amount authorized to be appropriated by section 201, $500,000 in an initial appropriation shall be available to permit the Secretary to clean the Bottle Hollow Reservoir on the Ute Indian Reservation of debris and trash resulting from a submerged sanitary landfill, to remove all nongame fish, and to secure minimum flow of water to the reservoir to make it a suitable habitat for a cold water fishery. The United States, and not the Tribe, shall be responsible for cleanup and all other responsibilities relating to the presently contaminated Bottle Hollow waters.

(d) MINIMUM STREAM FLOWS.—As a minimum, the Secretary shall endeavor to maintain continuous releases from the outlet works of the Upper Stillwater Dam into Rock Creek to maintain 29 cubic feet per second during May through October and continuous releases into Rock Creek of 23 cubic feet per second during November through April, at the reservation boundary. Nothing in this authorization shall increase the obligation of the District to deliver more that 44,000 acre-feet of Central Utah Project water as its contribution to the preservation of minimum stream flow in the Uinta Basin.

(e) LAND TRANSFER.—The Bureau shall transfer 315 acres of land to the Forest Service, located at the proposed site of the Lower Stillwater Reservoir as a wildlife mitigation measure.

(f) RECREATION ENHANCEMENT.—Of the amount authorized to be appropriated by section 201, $10,000,000 shall be available for the Secretary, in cooperation with the Tribe, to permit the Tribe to develop, after consultation with the appropriate fish, wildlife, and recreation agencies, big game hunting, fisheries, campgrounds and fish and wildlife management facilities, including administration buildings and grounds on the Uintah and Ouray Reservation, in lieu of the construction of the Lower Stillwater Dam and related facilities.

(g) MUNICIPAL WATER CONVEYANCE SYSTEM.—Of the amounts authorized to be appropriated in section 201, $1,250,000 shall be available to the Secretary for participation by the Tribe in the construction of pipelines associated with the Duchesne County Municipal Water Conveyance System.

SEC. 506. TRIBAL DEVELOPMENT FUNDS.

(a) ESTABLISHMENT.—Of the amount authorized to be appropriated by section 201, there is hereby established to be appropriated a total amount of $125,000,000 to be paid in three annual and equal installments to the Tribal Development Fund which the Secretary is authorized and directed to establish for the Tribe.

(b) ADJUSTMENT.—To the extent that any portion of such amount is contributed after the period described above or in amounts less than described above, the Tribe shall, subject to appropriation Acts, receive, in addition to the full contribution to the Tribal Development Fund, an adjustment representing the interest income as determined by the Secretary, in his sole discretion, that would have been earned on any unpaid amount.

(c) TRIBAL DEVELOPMENT.—The Tribe shall prepare a Tribal Development Plan for all or a part of this Tribal Development Fund. Such Tribal Development Plan shall set forth from time to time economic projects proposed by the Tribe which in the opinion of two independent financial consultants are deemed to be reasonable, prudent and likely to return a reasonable investment to the Tribe. The financial consultants shall be selected by the Tribe with the advice and con-

sent of the Secretary. Principal from the Tribal Development Fund shall be permitted to be expended only in those cases where the Tribal Development Plan can demonstrate with specificity a compelling need to utilize principal in addition to income for the Tribal Development Plan.

(d) No funds from the Tribal Development Fund shall be obligated or expended by the Secretary for any economic project to be developed or constructed pursuant to subsection (c) of this section, unless the Secretary has complied fully with the requirements of applicable fish, wildlife, recreation, and environmental laws, including the National Environmental Policy Act of 1969 (43 U.S.C. 4321 et seq.).

SEC. 507. WAIVER OF CLAIMS.

(a) GENERAL AUTHORITY.—The Tribe is authorized to waive and release claims concerning or related to water rights as described below.

(b) DESCRIPTION OF CLAIMS.—The Tribe shall waive, upon receipt of the section 504, 505, and 506 monies, any and all claims relating to its water rights covered under the agreement of September 20, 1965, including claims by the Tribe that it retains the right to develop lands as set forth in the Ute Indian Compact and deferred in such agreement. Nothing in this waiver of claims shall prevent the Tribe from enforcing rights granted to it under this Act or under the Compact. To the extent necessary to effect a complete release of the claims, the United States concurs in such release.

(c) RESURRECTION OF CLAIMS.—In the event the Tribe does not receive on a timely basis the moneys described in section 502, the Tribe is authorized to bring an action for an accounting against the United States, if applicable, in the United States Claims Court for moneys owed plus interest at 10 percent, and against the District, if applicable, in the United States District Court for the District of Utah for moneys owed plus interest at 10 percent. The United States and the District waive any defense based upon sovereign immunity in such proceedings.

TITLE VI—ENDANGERED SPECIES ACT AND NATIONAL ENVIRONMENTAL POLICY ACT

SEC. 601. RULE OF CONSTRUCTION.

Notwithstanding any provision of titles II through V of this Act, nothing in such titles shall be interpreted as modifying or amending the provisions of the Endangered Species Act of 1973 (16 U.S.C. Sec. 1531 et seq.) or the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

TITLE VII—TREATMENT OF DRAINAGE FROM THE LEADVILLE MINE DRAINAGE TUNNEL, COLORADO

SEC. 701. TREATMENT PLANT AND RELATED WORK.

(a) AUTHORIZATION.—The Secretary is authorized to construct, operate, and maintain a water treatment plant, including the disposal of sludge produced by the treatment plant as appropriate, and to install concrete lining on the rehabilitated portion of the Leadville Mine Drainage Tunnel, Colorado, in order that water flowing from the Leadville Tunnel shall meet water quality standards.

(b) COSTS NONREIMBURSABLE.—Construction, operation, and maintenance costs of the works authorized by this section shall be nonreimbursable.

(c) OPERATION AND MAINTENANCE.—The Secretary shall be responsible for operation, maintenance, and replacement of the water treatment plant, including sludge disposal authorized by this Act. The Secretary may contract for services to carry out this subsection.

SEC. 702. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated beginning October 1, 1989, to carry out this title $20,000,000 (based on January 1989 prices), $2,000,000 of which shall be for the fish and wildlife restoration program authorized in section 704 of this title. There are also authorized to be appropriated such additional sums as may be required for operation and maintenance of the works authorized by this Act.

SEC. 703. LIMITATION.

The treatment plant authorized by this title shall be designed and constructed to treat the quantity and quality of effluent historically discharged from the Leadville Mine Drainage Tunnel, Colorado.

SEC. 704. RESTORATION OF FISH AND WILDLIFE RESOURCES.

(a) AUTHORIZATION.—The Secretary, acting through the Director of the United States Fish and Wildlife Service, is authorized, in consultation with other Federal entities and the State of Colorado, to formulate and implement, subject to the provisions of subsection (b) of this section, a program for the restoration of fish and wildlife resources of those portions of the Arkansas River Basin impacted by the effluent discharge from the Leadville Mine Drainage Tunnel, Colorado. The formulation of the program under this section shall be undertaken with appropriate public consultation.

(b) NOTIFICATION TO CONGRESS.—At least sixty days prior to implementing a program under subsection (a), the Secretary shall submit a report outlining a proposed program for carrying out subsection (a), including estimated costs, to the Speaker of the House of Representatives and the President pro tempore of the Senate.

SEC. 705. UPPER ARKANSAS RIVER BASIN WATER QUALITY RESTORATION INITIATIVE.

(a) AUTHORIZATION.—

(1) IN GENERAL.—Subject to the provisions of subsection (e) of this section, the Secretary is authorized, in consultation with the State of Colorado, the Environmental Protection Agency, and other Federal, local, and private entities, to conduct investigations of water pollution sources and impacts attributed to mining and other development in the Upper Arkansas River Basin, to develop corrective action plans for such basin, and to implement corrective action demonstration projects for such basin. The Upper Arkansas River Basin is defined as the hydrologic basin of the Arkansas River in Colorado extending from Pueblo Dam upstream to the headwaters of the Arkansas River.

(2) LIMITATION.—The Secretary shall have no authority to implement corrective action demonstration projects under this section at facilities which have been listed or proposed for listing on the national priorities list or are subject to or covered by the Solid Waste Disposal Act.

(b) LIABILITY.—Neither the Secretary nor any person participating in a corrective action demonstration project shall be liable under section 107 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 for costs or damages as a result of actions taken or omitted in the course of implementing an action developed under this section. This subsection shall not preclude liability for costs or damages as the result of negligence on the part of such persons.

(c) FUNDING.—In carrying out this section, the Secretary shall arrange for cost sharing with the State of Colorado and for the utilization of non-Federal funds and in-kind services where possible. The Secretary is authorized to fund all State costs required to conduct investigations and develop corrective action plans required in subsection (a). The Federal share of costs for the implementation of corrective action plans as authorized in subsection (a) shall not exceed 50 percent.

(d) PUBLIC INVOLVEMENT.—The development of all corrective action plans and subsequent corrective action demonstration projects under this section shall be undertaken with appropriate public involvement pursuant to a public participation plan, consistent with regulations issued under the Federal Water Pollution Control Act, developed by the Secretary in consultation with the State of Colorado and the Environmental Protection Agency.

(e) SUBMISSIONS OF PLANS TO CONGRESS.—At least sixty days prior to implementing any corrective action demonstration project under this section, the Secretary shall submit a copy of the proposed project plans, including estimated costs, to the Speaker of the House of Representatives and President pro tempore of the Senate.

(f) EFFECT ON CERCLA.—Nothing in this title affects or modifies, in any way, the obligations or liabilities of any person under other Federal or State law, including common law, with respect to the discharge or release of hazardous substances, pollutants, or contaminants, as defined under section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601). The development of corrective action plans and implementation of corrective action demonstration projects shall be exclusive of all enforcement actions under such Act. It is not the intent of this title to relieve non-Federal potentially responsible parties of their liability under such Act.

SEC. 706. DEFINITION.

As used in this Act, the term "Secretary" means the Secretary of the Interior.

TITLE VIII—LAKE MEREDITH PROJECT

SEC. 801. AUTHORIZATION TO CONSTRUCT AND TEST.

The Secretary is authorized to construct and test the Lake Meredith Salinity Control Project, New Mexico and Texas, in accordance with the Federal Reclamation laws (Act of June 17, 1902, 32 Stat. 788, and Acts amendatory thereof or supplementary thereto) and the provisions of this title and the plan set out in the June 1985 Technical Report of the Bureau of Reclamation on this project with such modification of, omissions from, or additions to the works, as the Secretary may find proper and necessary for the purpose of improving the quality of water delivered to the Canadian River downstream of Ute Reservoir, New Mexico, and entering Lake Meredith, Texas. The principal features of the project shall consist of production wells, observation wells, pipelines, pumping plants, brine disposal facilities, and other appurtenant facilities.

SEC. 802. CONSTRUCTION CONTRACT WITH THE CANADIAN RIVER MUNICIPAL WATER AUTHORITY.

(a) AUTHORITY TO CONTRACT.—The Secretary is authorized to enter into a contract with the Canadian River Municipal Water Authority of Texas (hereafter in this title the "Authority") for the design and construction management of project facilities by the Bureau of Reclamation and for the payment of construction costs by the Authority. Operation and maintenance of project facilities upon completion of construction and testing shall be the responsibility of the Authority.

(b) CONSTRUCTION CONTINGENT ON CONTRACT.—Construction of the project shall not be commenced until a contract has been executed by the Secretary with the Authority, and the State of New Mexico has granted the necessary permits for the project facilities.

SEC. 803. PROJECT COSTS.

(a) CANADIAN RIVER MUNICIPAL WATER AUTHORITY SHARE.—All costs of construction of project facilities shall be advanced by the Authority as the non-Federal contribution toward implementation of this title. Pursuant to the terms of the contract authorized by section 802 of this title, these funds shall be advanced on a schedule mutually acceptable to the Authority and the Secretary, as necessary to meet the expense of carrying out construction and land acquisition activities.

(b) FEDERAL SHARE.—All project costs for design preparation, and construction management shall be nonreimbursable as the Federal contribution for environmental enhancement by water quality improvement, except that the Federal contribution shall not exceed 33 per centum of the total project costs.

SEC. 804. CONSTRUCTION AND CONTROL.

(a) PRECONSTRUCTION.—The Secretary shall, upon entering into the contract specified in section 802 with the Authority, proceed with preconstruction planning, preparation of designs and specifications, acquiring permits, acquisition of land and rights, and award of construction contracts pending availability of appropriated funds.

(b) TERMINATION OF CONSTRUCTION.—At any time following the first advance of funds, the Authority may request that the Secretary terminate activities then in progress, and such request shall be binding upon the Secretary, except that, upon termination of construction pursuant to this section, the Authority shall reimburse to the Secretary a sum equal to 67 per centum of all costs incurred by the Secretary in project verification, design and construction management, reduced by any sums previously paid by the Authority to the Secretary for such purposes. Upon such termination, the United States is under no obligation to complete the project as a nonreimbursable development.

(c) TRANSFER OF CONTROL.—Upon completion of construction and testing of the project, or upon termination of activities at the request of the Authority, the Secretary shall transfer the care, operation, and maintenance of the project works to the Authority or to a bona fide entity mutually agreeable to the States of New Mexico and Texas. As part of such transfer, the Secretary shall return unexpended balances of the funds advanced, assign to the Authority or the bona fide entity the rights to any contract in force, convey to the Authority or the bona fide entity any real estate, easements or personal property acquired by the advanced funds, and provide any data, drawings, or other items of value procured with advanced funds.

SEC. 805. TRANSFER OF TITLE.

Title to any facilities constructed under the authority of this title shall remain with the United States.

SEC. 806. AUTHORIZATION.

There are hereby authorized to be appropriated such sums as are necessary to carry out the provisions of this title, except that the total Federal contribution to the cost of the activities undertaken under the authority of this title shall not exceed 33 per centum.

TITLE IX—CEDAR BLUFF UNIT, KANSAS

SEC. 901. AUTHORIZATION OF REFORMULATION.

The Secretary, consistent with the provisions of the Memorandum of Understanding between the Bureau of Reclamation and the Fish and Wildlife Service of the Department of the Interior, the State of Kansas, and the Cedar Bluff Irrigation District No. 6, dated December 17, 1987, is authorized to reformulate the Cedar Bluff Unit of the Pick-Sloan Missouri Basin Program, Kansas, including reallocation of the conservation capacity of the Cedar Bluff Reservoir, to create—

(1) a designated operating pool, as defined in such Memorandum of Understanding, for fish, wildlife, and recreation purposes, for ground water recharge for environmental, domestic, municipal and industrial uses, and for other purposes; and

(2) a joint-use pool, as defined in such Memorandum of Understanding, for flood control, for water sales, for fish, wildlife, and recreation purposes, and for other purposes.

SEC. 902. CONTRACT WITH THE STATE OF KANSAS FOR OPERATING POOL.

The Secretary may enter into a contract with the State of Kansas for the sale, use and control of the designated operating pool, with the exception of water reserved for the city of Russell, Kansas, and to allow the State of Kansas to acquire use and control of water in the joint-use pool, except that, the State of Kansas shall not permit utilization of water from Cedar Bluff Reservoir to irrigate lands in the Smoky Hill River Basin from Cedar Bluff Reservoir to its confluence with Big Creek.

SEC. 903. CONTRACT WITH THE STATE OF KANSAS FOR CEDAR BLUFF DAM AND RESERVOIR.

(a) AUTHORIZATION.—The Secretary may enter into a contract with the State of Kansas, accepting a payment of $350,000, and the State's commitment to pay a proportionate share of the annual operation, maintenance, and replacement charges for the Cedar Bluff Dam and Reservoir. After the reformulation of the Cedar Bluff Unit authorized by this title, all net revenues received by the United States from the sale of water of the Cedar Bluff Unit shall be credited to the Reclamation Fund.

(b) CONTRACT TERMINATION.—Upon receipt of the payment specified in subsection (a), the Cedar Bluff Irrigation District's obligations under contract number 0-07-70-W0064 shall be terminated.

(c) TRANSFER OF FISH HATCHERY.—The Secretary may transfer ownership of the buildings, fixtures, and equipment of the United States Fish and Wildlife Service fish hatchery facility at Cedar Bluff Dam, and the related water rights, to the State of Kansas for its use and operation for fish, wildlife, and related purposes. If any of the property transferred by this subsection to the State of Kansas is subsequently transferred from State ownership or used for any purpose other than those provided for in this subsection, title to such property shall revert to the United States.

SEC. 904. TRANSFER OF DISTRICT HEADQUARTERS.

The Secretary may transfer title to all interests in real property, buildings, fixtures, equipment, and tools associated with the Cedar Bluff Irrigation District headquarters located near Hays, Kansas, contingent upon the District's agreement to close down the irrigation system to the satisfaction of the Secretary at no additional cost to the United States, after which all easement rights shall revert to the owners of the lands to which the easements are attached. The transferee of any interests conveyed pursuant to this section shall assume all liability with respect to such interests and shall indemnify the United States against all such liability.

SEC. 905. ADDITIONAL ACTIONS.

The Secretary may take all other actions consistent with the provisions of the Memorandum of Understanding referred to in section 901 that the Secretary deems necessary to accomplish the reformulation of the Cedar Bluff Unit.

TITLE X—MISCELLANEOUS PROVISIONS, CENTRAL VALLEY PROJECT

SEC. 1001. EXTENSION OF THE TEHAMA-COLUSA CANAL SERVICE AREA.

The first paragraph of section 2 of the Act of September 26, 1950 (64 Stat. 1036), as amended by the Act of August 19, 1967 (81 Stat. 167), and the Act of December 22, 1980 (94 Stat. 3339), authorizing the Sacramento Valley Irrigation Canals, Central Valley Project, California, is further amended by striking "Tehama, Glenn, and Colusa Counties, and those portions of Yolo County within the boundaries of the Colusa County, Dunnigan, and Yolo-Zamora water districts or" and inserting "Tehama, Glenn, Colusa, Solano, and Napa Counties, those portions of Yolo County within the boundaries of Colusa County Water District, Dunnigan Water District, Yolo-Zamora Water District, and Yolo County Flood Control and Water Conservation District, or".

SEC. 1002. AUTHORIZATION FOR LONG-TERM CONTRACT FOR WATER DELIVERY.

(a) GENERAL AUTHORITY.—Notwithstanding the Energy and Water Development Appropriations Act, 1990, the Secretary of the Interior is authorized, pursuant to section 203 of the Flood Control Act of 1962 (76 Stat. 1191), to enter into a long-term contract in accordance with Federal Reclamation laws with the Tuolumne Regional Water District, California, for the delivery of water from the New Melones project to the county's water distribution system.

(b) RECLAMATION LAWS.—For purposes of subsection (a), the term "Federal Reclamation Laws" means the Act of June 17, 1902 (32 Stat. 388), and Acts supplementary thereto and amendatory thereof.

TITLE XI—SALTON SEA RESEARCH PROJECT

SEC. 1101. RESEARCH PROJECT TO CONTROL SALINITY.

(a) RESEARCH PROJECT.—The Secretary of the Interior, acting through the Bureau of Reclamation, shall conduct a research project for the development of a method or combination of methods to reduce and control salinity in inland water bodies. Such research shall include testing an enhanced evaporation system for treatment of saline waters, and studies regarding in-water segregation of saline waters and of dilution from other sources. The project shall be located in the area of the Salton Sea of Southern California.

(b) COST SHARE.—The non-Federal share of the cost of the project referred to in subsection (a) shall be 25 percent of the cost of the project.

(c) REPORT.—Not later than September 30, 1996, the Secretary shall submit a report to the Committee on Interior and Insular Affairs and the Committee on Merchant Marine and Fisheries of the House of Representatives and the Committee on Energy and Natural Resources of the Senate regarding the results of the project referred to in subsection (a).

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated

$10,000,000 to carry out the purposes of this title.

TITLE XII—AMENDMENT TO SABINE RIVER COMPACT

SEC. 1201. CONSENT TO AMENDMENT TO SABINE RIVER COMPACT.

The consent of Congress is given to the amendment, described in section 1203, to the interstate compact, described in section 1202, relating to the waters of the Sabine River and its tributaries.

SEC. 1202. COMPACT DESCRIBED.

The compact referred to in the previous section is the compact between the States of Texas and Louisiana, and consented to by Congress in the Act of August 10, 1954 (chapter 668; 68 Stat. 690; Public Law 85-78).

SEC. 1203. AMENDMENT.

The amendment referred to in section 1201 strikes "One of the Louisiana members shall be ex officio the Director of the Louisiana Department of Public Works; the other Louisiana member shall be a resident of the Sabine Watershed and shall be appointed by the Governor of Louisiana for a term of four years: *Provided*, That the first member so appointed shall serve until June 30, 1958." in article VII(c) and inserts "The Louisiana members shall be residents of the Sabine Watershed and shall be appointed by the Governor for a term of four years, which shall run concurrent with the term of the Governor.".

TITLE XIII—NAME CHANGE

SEC. 1301. DESIGNATION.

The Salt-Gila Aqueduct of the Central Arizona project, constructed, operated, and maintained under section 301(a)(7) of the Colorado River Basin Project Act (43 U.S.C. 1521(a)(7)), hereafter shall be known and designated as the "Fannin-McFarland Aqueduct".

SEC. 1302. REFERENCES.

Any reference in any law, regulation, document, record, map, or other paper of the United States to the aqueduct referred to in subsection (a) hereby is deemed to be a reference to the "Fannin-McFarland Aqueduct".

TITLE XIV—EXCESS STORAGE AND CARRYING CAPACITY

SEC. 1401. EXCESS STORAGE AND CARRYING CAPACITY.

The Secretary is authorized to enter into contracts with municipalities, public water districts and agencies, other Federal agencies, State agencies, and private entities, pursuant to the Act of February 21, 1911 (43 U.S.C. 523), for the impounding, storage, and carriage of water for domestic, municipal, fish and wildlife, industrial, and other beneficial purposes from any facilities associated with the Central Valley Project, Cachuma Project, and the Ventura River Project, California.

TITLE XV—AMENDMENT TO THE RECLAMATION PROJECT ACT OF 1939

SEC. 1501. CONTRACT AMENDMENTS.

Subsection (h) of section 8 of the Reclamation Project Act of 1939 (43 U.S.C. 485g(h)) is amended to read as follows:

"(h) If any classification or reclassification of irrigable lands undertaken pursuant to this section results in an increase in the outstanding construction charges or rate of repayment on any project, as established by an existing contract with an organization, the Secretary shall amend the contract to increase the construction obligation or the rate of repayment. No other modification in outstanding construction charges or repayment rates may be made by reason of a classification or reclassification undertaken pursuant to this section without the approval of Congress.".

TITLE XVI—WATER RECLAMATION AND REUSE

SEC. 1601. PARTICIPATION IN STUDY.

The Secretary is authorized to participate with the city of San Diego, California, in the conduct of a study of conceptual plans for water reclamation and reuse. The Federal share of the cost of the study referred to in this section shall not exceed 50 percent of the total cost of the study.

SEC. 1602. AUTHORIZATION OF APPROPRIATIONS.

There is hereby authorized to be appropriated the sum of $250,000 to carry out the Federal share of the study specified in section 1601 of this title.

TITLE XVII—RECLAMATION REFORM ACT OF 1982

SEC. 1701. SHORT TITLE AND DEFINITION.

(a) SHORT TITLE.—This title may be cited as the "Reclamation Reform Act Amendments of 1991".

(b) DEFINITION.—As used in this title, the term "the Act" means the Reclamation Reform Act of 1982 (Public Law 97-293, 96 Stat. 1263, 43 U.S.C. 390aa, et seq.).

SEC. 1702. NEW DEFINITION.

Section 202 of the Act is amended by adding the following new definition after paragraph 2, and redesignating the subsequent paragraphs accordingly:

"(3)(A) The term 'farm' or 'farm operation' means any landholding or group of landholdings, including partial landholdings, directly or indirectly farmed or operated by an individual, group, entity, trust, or any other combination or arrangement. The existence of a farm or farm operation will be presumed when ownership, operation, management, financing, or other factors, individually or together, indicate that one or more landholdings, including partial landholdings, are directly or indirectly farmed or operated by the same individual, group, entity, trust, or other combination or arrangement thereof.

"(B) The following arrangements and transactions, if negotiated at arms length between unrelated parties, shall not be factors for the purpose of determining the existence of a farm or farm operation:

"(i) Participation in a bona fide cooperative;

"(ii) Entering into an agreement in which each party bears the risk of loss individually for: (I) the use of equipment or labor; (II) processing, handling, brokering, or packing crops; (III) ginning cotton; (IV) purchasing seed; (V) purveying water; or (VI) other similar agreements;

"(iii) Entering into financial transactions involving land or crop loans, in which the lender has no interest in providing farm services of any kind (except in a fiduciary capacity as trustee), including, but not limited to, the granting or receipt of a security interest, crop mortgage, assignment of crop or crop proceeds or other interests in a crop or land solely for the purposes of obtaining repayment of a loan;

"(iv) Entering into (or exercising rights under) an agreement to assure or require bona fide quality control measures and/or the right to take control of farming operations in order to ensure quality control; or

"(v) Entering into an agreement for custom farming or farm management services if the custom farmer or farm manager does not bear a direct risk of loss in the crop.

"(C) With respect to activities between 'related parties', as defined in section 267(b) of the Internal Revenue Code of 1986, the Secretary shall certify that a farm or farm operation does not exist based on information supplied by such parties if such information indicates that all such activities were entered into and performed at arms length."

SEC. 1703. ADDITION OF FARM OR FARM OPERATION TO THE ACT.

(a) The second sentence of section 203(b) of the Act is amended by inserting after "landholding" wherever it appears, the following: ", farm, or farm operation", and inserting after "leased" wherever it appears the following: ", farmed or operated".

(b) Section 205 of the Act is amended by inserting after "landholding" wherever it appears, the following: ", farm, or farm operation", and by inserting after "landholdings" the following: ", farms or farm operations".

SEC. 1704. TRUSTS.

Section 214 of the Act is amended by adding the following new subsections.

"(c) The ownership and pricing limitations of this Act and the ownership limitations of any other provision of Federal reclamation law shall apply to a beneficiary of a trust in the same manner as any other individual.

"(d) The ownership and pricing limitations of this Act and the ownership limitations in any other provisions of Federal reclamation law shall apply to lands which are held by an individual or corporate trustee in a fiduciary capacity for a beneficiary or beneficiaries whose interests in the land served do not exceed the ownership and pricing limitations imposed by Federal reclamation law, including this title, as follows:

"(1) For trusts established on or before June 14, 1990 and benefitting 25 individuals or less, the ownership limitations shall go into effect nine years after enactment of these amendments, and the pricing limitations shall go into effect pursuant to sections 203 and 205, as applicable;

"(2) For trusts established on or before June 14, 1990 and benefitting more than 25 individuals, one hundred and eighty days after enactment of these amendments; and

"(3) For trusts established subsequent to June 14, 1990 upon the enactment of these amendments."

Section 205 is amended by adding a new subsection (d) as follows:

"(d) Any trust benefitting 25 individuals or less shall not, under any circumstances, be eligible to receive water at less than full-cost on more than 960 acres of Class I land or the equivalent thereof. Full-cost pricing resulting from the application of this subsection shall be phased in over three years, that being of the difference between the applicable nonfull cost rate and the then existing full-cost rate for the first, second, and third calendar years, respectively, following the effective date of these amendments.".

SEC. 1705. INTENT AND PURPOSES.

Section 224(c) of the Act is amended to read as follows:

"(c) The Secretary is directed to prescribe regulations and shall collect all data necessary to carry out the intent, purposes, and provisions of this title and of other provisions of Federal reclamation law. Notwithstanding any other provision of law, the Secretary shall establish appropriate and effective penalties for failure to comply with any provision of this Act or any regulation established pursuant to this Act.".

SEC. 1706. REPORTING REQUIREMENTS.

(a) Section 228 of the Act is amended by inserting after "contracting entity" wherever it appears, the following: ", farm, or farm operation".

(b) Section 206 of the Act is amended by inserting after the final sentence the follow-

ing: "This section shall also apply to all landholdings, farms, or farm operations, to all lands operated under any kind of operating agreement, and to all operators thereof. The Secretary, may also require the submission of any agreement or other document relating to the certification.".

SEC. 1707. RELIGIOUS OR CHARITABLE ORGANIZATIONS.

Section 219 of the Act is amended by—

(1) inserting "(a)" after "SEC. 219"; and

(2) inserting at the end the following new subsections:

"(b) The terms 'farm' or 'farm operation' shall not apply to any landholding of a religious or charitable entity or organization which qualifies as an individual under this section. If an individual religious or charitable entity or organization holds land as a lessor within a district, it shall qualify as an individual with respect to such lands: *Provided*, That the entity or organization directly uses the proceeds of the lease only for charitable purposes: *Provided further*, That the lessee is eligible to receive reclamation water upon the leased lands.

"(c) If an individual religious or charitable organization holds lands within a district, but fails to qualify as an individual under this section, its lands within a district with regard to which it does not qualify as an individual shall be lands held in excess of the ownership limitations of section 209 of this Act, and shall receive reclamation water only as excess lands in compliance with the provisions of section 209 of this Act. The failure of an individual religious or charitable entity or organization to qualify as an individual under this section shall not affect the qualification as an individual under this section of another individual religious or charitable entity or organization which is affiliated with the same central organization or is subject to a hierarchical authority of the same faith.".

SEC. 1708. RESTRICTION OF BENEFITS TO CITIZENS AND RESIDENT ALIENS.

(a) Section 202(8) of the Act, as redesignated by section 1702 of this Act, is amended by striking the period and inserting in lieu thereof the following: ": *Provided*, That all such persons are citizens of the United States or resident aliens thereof.".

(b) Section 202(10) of the Act, as redesignated by section 1702 of this Act, is amended by striking the period and inserting in lieu thereof the following: ": *Provided*, That all such persons are citizens of the United States or resident aliens thereof.".

SEC. 1709. ASSESSMENT REVIEW.

The Secretary shall review on a case-by-case basis the full cost charges applied to prior law recipients who filed irrevocable elections pursuant to section 203(b) of the 1982 Act between May 13, 1987 and January 1, 1988. Upon completion of such review, the Secretary shall determine, taking into account all relevant information, whether or not the full cost charges assessed of said prior law recipients are appropriate. Based upon such determination, the Secretary may reduce or rescind said charges accordingly: *Provided*, That the Secretary shall inform by letter report to the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate of any intent to reduce or rescind such charges and that such reduction or rescission shall not take place until after the passage of ninety calendar days after the receipt by the respective Committees of the letter report. The Secretary shall consult with the Office of the Inspector General of the Department of the Interior in the preparation of such report.

SEC. 1710. APPLICATION TO INDIAN LANDS.

The Act (43 U.S.C. 390aa et seq.) is amended by adding at the end the following new section:

"SEC. 231. APPLICATION TO INDIAN LANDS.

"Nothing in this title shall apply to trust or restricted Indian lands.".

TITLE XVIII—GRAND CANYON PROTECTION

SEC. 1801. SHORT TITLE.

This title may be cited as the "Grand Canyon Protection Act".

SEC. 1802. FINDINGS.

The Congress finds the following:

(1) Current operating procedures at Glen Canyon Dam, including fluctuating water releases made for the production of peaking hydroelectric power, have substantial adverse effects on downstream environmental and recreational resources, including resources located within Grand Canyon National Park. Flood releases from Glen Canyon Dam have damaged beaches and terrestrial resources. Damage from flood releases can be reduced if the frequency of flood releases is reduced, as has been the practice in recent years.

(2) The Secretary announced on July 27, 1989, the preparation of an environmental impact statement to evaluate the impacts of Glen Canyon Dam operations on downstream environmental and recreational resources. Based in part on information developed during the environmental impact statement process, the Secretary will be in a position to make informed decisions regarding possible changes to current operating procedures for Glen Canyon Dam.

(3) The adverse effects of current operations of Glen Canyon Dam are significant and can be at least partially mitigated by the development and implementation of interim operating procedures pending the completion of an environmental impact statement, the Glen Canyon Environmental Studies, and the adoption of new long-term operating procedures for Glen Canyon Dam.

SEC. 1803. DEFINITIONS.

As used in this title—

(1) the term "Colorado River Compact" means the compact consented to by the Act of August 19, 1921 (chapter 72; 42 Stat. 171) and approved by section 13(a) of the Act of December 21, 1928 (45 Stat. 1064);

(2) the term "Upper Colorado River Basin Compact" means the compact consented to by the Act of April 6, 1949 (63 Stat. 31); and

(3) the term "Secretary" means the Secretary of the Interior.

SEC. 1804. PROTECTION OF GRAND CANYON NATIONAL PARK.

(a) IN GENERAL.—The Secretary shall operate Glen Canyon Dam and, if necessary, take other reasonable mitigation measures in such a manner as to protect, mitigate adverse impacts to, and improve the condition of, the environmental, cultural, and recreational resources of Grand Canyon National Park and Glen Canyon National Recreation Area downstream of Glen Canyon Dam, under operating procedures that are subject to and consistent with the water storage and delivery functions of Glen Canyon Dam pursuant to the Colorado River Compact, the Upper Colorado River Basin Compact, and other laws relating to the allocation of the Colorado River.

(b) AMENDMENT OF CRSP.—The Act of April 11, 1956 (70 Stat. 105, chapter 203; 43 U.S.C. 620 et seq.; commonly referred to as the "Colorado River Storage Project Act"), is amended as follows:

(1) In section 3, by adding at the end the following: "It is the further intention of Congress that the Secretary shall operate Glen Canyon Dam and, if necessary, take other reasonable mitigation measures, so as to protect, mitigate damages to, and improve the condition of the environmental, cultural, and recreational resources of Grand Canyon National Park and Glen Canyon National Recreation Area downstream of Glen Canyon Dam, subject to and consistent with the water storage and delivery functions of Glen Canyon Dam pursuant to the Colorado River Compact, the Upper Colorado River Basin Compact, consented to by the Act of April 6, 1949 (63 Stat. 31, chapter 48), and other laws relating to allocation of the Colorado River.".

(2) In the first sentence of section 7, by striking "Acts." and inserting "Acts, nor shall the Secretary operate the hydroelectric powerplant at Glen Canyon Dam in a manner which causes significant and avoidable adverse effects on the environmental, cultural, or recreational resources of Glen Canyon National Park or Glen Canyon National Recreation Area downstream of Glen Canyon Dam.".

(c) PROMULGATION OF OPERATING PROCEDURES.—The Secretary shall promulgate interim and long-term operating procedures for Glen Canyon Dam as set forth in sections 1805 and 1806, which procedures shall be consistent with the requirements of this section, and, if necessary, shall take other reasonable mitigation measures.

(d) DISCLAIMER.—Nothing in this title alters or may be construed to alter the purposes for which the Grand Canyon National Park or the Glen Canyon National Recreation Area were established or to affect in any manner the authority and responsibility of the Secretary with respect to the management and administration of such areas, including natural and cultural resources, and visitor use, as provided by laws applicable to such areas, including (but not limited to) the Act of August 25, 1916 (39 Stat. 535), as amended and supplemented.

SEC. 1805. INTERIM OPERATING PROCEDURES FOR GLEN CANYON DAM.

(a) IN GENERAL.—Notwithstanding any other provision of law, and pending compliance by the Secretary with the requirements of section 1806, the Secretary shall, not later than October 1, 1991, or upon cessation of research flows used for preparing the environmental impact statement ordered by the Secretary on July 27, 1989, whichever is earlier, develop and implement interim operating procedures for Glen Canyon Dam. Such procedures shall—

(1) not interfere with the primary water storage and delivery functions of Glen Canyon Dam pursuant to the Colorado River Compact, the Upper Colorado River Basin Compact, and other laws relating to allocation of the Colorado River;

(2) minimize, to the extent reasonably possible, the adverse environmental impacts of Glen Canyon Dam operations on Grand Canyon National Park and Glen Canyon National Recreation Area downstream of Glen Canyon Dam;

(3) adjust fluctuating water releases caused by the production of peaking hydroelectric power and adjust rates of flow changes for fluctuating flows that will minimize, to the extent reasonably possible, adverse downstream impacts;

(4) minimize flood releases, consistent with the requirements of section 1804 of this title;

(5) maintain sufficient minimum flow releases at all times from Glen Canyon Dam to minimize, to the extent reasonably possible, the adverse environmental impacts of Glen

Canyon Dam operations on Grand Canyon National Park and to protect fishery resources; and

(6) limit maximum flows released during normal operations to minimize, to the extent reasonably possible, the adverse environmental impacts of Glen Canyon Dam operations on Grand Canyon National Park and Glen Canyon National Recreation Area downstream of Glen Canyon Dam and to protect fishery resources.

(b) CONSULTATION.—The Secretary shall develop and implement the interim operating procedures described in subsection (a) in consultation with—

(1) appropriate agencies of the Department of the Interior, including the Bureau of Reclamation, United States Fish and Wildlife Service, and the National Park Service;

(2) the Secretary of Energy;

(3) the Governors of the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming;

(4) affected Indian tribes; and

(5) the general public, including representatives of the academic and scientific communities, environmental organizations, the recreation industry, and contractors for the purchase of Federal power produced at Glen Canyon Dam.

(c) SCIENTIFIC DATA.—The Secretary shall develop and implement the interim operating procedures referred to in this section using the best and most recent scientific data available, including the scientific information collected and analyzed as part of the Glen Canyon Environmental Studies.

(d) TERMINATION.—The interim operating procedures described in this section shall terminate upon compliance by the Secretary with the requirements of section 1806 of this title.

(e) DEVIATION FROM PROCEDURES.—The Secretary may deviate from the interim operating procedures described in this section upon a finding that such deviation is necessary and in the public interest in order to—

(1) comply with the requirements of section 1806(a) of this title;

(2) respond to hydrologic extremes or power system operating emergencies; or

(3) further reduce adverse impacts on environmental, cultural, or recreational resources downstream from Glen Canyon Dam.

SEC. 1806. GLEN CANYON ENVIRONMENTAL STUDIES; GLEN CANYON DAM ENVIRONMENTAL IMPACT STATEMENT; AND LONG-TERM OPERATING PROCEDURES FOR GLEN CANYON DAM.

(a) EIS.—The Secretary shall, not later than December 31, 1993, complete the final Glen Canyon Dam Environmental Impact Statement in accordance with the requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), and in addition shall complete the Glen Canyon Environmental Studies. In preparing the environmental impact statement, the Secretary shall consider the views and conclusions of all cooperating government agencies, affected Indian tribes, and the general public. The Secretary shall make use of the best and most recent scientific data and studies in preparing the environmental impact statement, including the scientific information collected and analyzed as part of the Glen Canyon Environmental Studies.

(b) REVIEW.—The Comptroller General of the United States shall review, in accordance with the standards set forth in the United States Water Resource Council's March 10, 1983, Economic and Environmental Principles and Guidelines for Water and Related Land Resources Implementation Studies, the costs and benefits to water and power users and to natural, recreational, and cultural resources resulting from management policies and dam operations identified pursuant to the draft of the environmental impact statement referred to in subsection (a). The Comptroller General shall report the results of the review to the Secretary and the Congress within one year after publication of the draft environmental impact statement.

(c) IMPLEMENTATION.—(1) Based on the findings, conclusions, and recommendations made in the studies, the statement prepared pursuant to subsection (a), and the review performed pursuant to subsection (b), the Secretary shall, within ninety days following completion of the final environmental impact statement or completion of the Comptroller General's review, whichever is later, implement long-term operating procedures for Glen Canyon Dam that will, alone or in combination with other reasonable mitigation measures, ensure that Glen Canyon Dam is operated in a manner consistent with this Act. Such procedures shall not interfere with the primary water storage and delivery functions of Glen Canyon Dam, pursuant to the Colorado River Compact, the Upper Colorado River Basin Compact, and other laws relating to allocation of the Colorado River.

(2) Upon completion of the requirements of paragraph (1), the Secretary shall submit to the Congress—

(A) the studies and the statement completed pursuant to subsection (a); and

(B) a report describing the long-term operating procedures for Glen Canyon Dam and other measures taken to protect, mitigate adverse impacts to, and improve the condition of the environmental, cultural, and recreational resources of the Colorado River downstream of Glen Canyon Dam.

(d) ANNUAL REPORT.—Annually after the date of the implementation of the procedures under subsection (c)(1), the Secretary shall transmit to the Congress and to the Governors of the Colorado River Basin States a report, separate from and in addition to the report specified in section 602(b) of the Colorado River Basin Project Act (43 U.S.C. 1552(b)), on the operation of the Glen Canyon Dam during the preceding year and the projected year operations undertaken pursuant to this title. In the process of preparing the long-term operating procedures, the annual plans of operation described in this section, and the annual report specified in section 602(b) of the Colorado River Basin Project Act, the Secretary shall consult with the Governors of the Colorado River Basin States and with the general public, including representatives of the academic and scientific communities, environmental organizations, the recreation industry, and contractors for the purchase of Federal power produced at Glen Canyon Dam.

SEC. 1807. LONG-TERM MONITORING.

The Secretary shall establish and implement long-term monitoring programs and activities that will ensure that Glen Canyon Dam is operated in a manner consistent with the requirements of section 1804 of this title. Such long-term monitoring shall include any necessary research and studies to determine the effect of the Secretary's actions under section 1806(c)(1) of this title upon the natural, recreational, and cultural resources of Grand Canyon National Park and Glen Canyon National Recreation Area. These monitoring programs and activities shall be established and implemented in consultation with the Secretary of Energy; the Governors of the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming; affected Indian tribes, and the general public, including representatives of the academic and scientific communities, environmental organizations, the recreation industry and the contractors for the purchase of Federal power produced at Glen Canyon Dam.

SEC. 1808. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this title.

SEC. 1809. SAVINGS.

Nothing in this title shall be interpreted as modifying or amending the provisions of the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.), or, except as provided in section 1805, of this title, the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), or other existing laws relating to environmental or natural resources protection, with regard to the operation of Glen Canyon Dam.

TITLE XIX—MID-DAKOTA RURAL WATER SYSTEM

SEC. 1901. SHORT TITLE.

This title may be cited as the "Mid-Dakota Rural Water System Act of 1991".

SEC. 1902. DEFINITIONS.

For purposes of this title—

(1) the term "feasibility study" means the study entitled "Mid-Dakota Rural Water System Feasibility Study and Report" dated November 1988 and revised January 1989 and March 1989, as supplemented by the "Supplemental Report for Mid-Dakota Rural Water System" dated March 1990 (which supplemental report shall control in the case of any inconsistency between it and the study and report), as modified to reflect consideration of the benefits of the water conservation programs developed and implemented under section 1905 of this title;

(2) the term "Foundation" means the South Dakota Game, Fish and Parks Foundation, a nonprofit corporation under the laws of the State of South Dakota with its principal office in South Dakota;

(3) the term "pumping and incidental operational requirements" means all power requirements incident to the operation of intake facilities, pumping stations, water treatment facilities, reservoirs, and pipelines up to the point of delivery of water by the Mid-Dakota Rural Water System to—

(A) each entity that distributes water at retail to individual users; or

(B) each rural use location;

(4) the term "rural use location" includes a water use location—

(A) that is located in or in the vicinity of a municipality identified in appendix A of the feasibility report, for which municipality and vicinity there was on December 31, 1988, no entity engaged in the business of distributing water at retail to users in that municipality or vicinity; and

(B) that is one of no more than 40 water use locations in that municipality and vicinity;

(5) the term "Secretary" means the Secretary of the Interior;

(6) the term "summer electrical season" means May through October of each year;

(7) the term "water system" means the Mid-Dakota Rural Water System, substantially in accordance with the feasibility study;

(8) the term "Western" means the Western Area Power Administration;

(9) the term "wetland component" means the wetland development and enhancement component of the water system, substantially in accordance with the wetland component report;

(10) the term "wetland component report" means the report entitled "Wetlands Development and Enhancement Component of the Mid-Dakota Rural Water System" dated April 1990; and

(11) the term "wetland trust" means a trust established in accordance with section 11(b) and operated in accordance with section 11(c).

SEC. 1903. FEDERAL ASSISTANCE FOR RURAL WATER SYSTEM.

(a) IN GENERAL.—The Secretary is authorized to make grants and loans to Mid-Dakota Rural Water System, Inc., a nonprofit corporation, for the planning and construction of the water system.

(b) SERVICE AREA.—The water system shall provide for safe and adequate municipal, rural, and industrial water supplies, mitigation of wetland areas, and water conservation in Beadle County (including the city of Huron), Buffalo, Hand, Hughes, Hyde, Jerauld, Potter, Sanborn, Spink, and Sully Counties, and elsewhere in South Dakota.

(c) TERMS AND CONDITIONS.—The Secretary shall make the grants and loans authorized by subsection (a) on terms and conditions equivalent to those applied by the Secretary of Agriculture in providing assistance to projects for the conservation, development, use, and control of water under section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)), except to the extent that those terms and conditions are inconsistent with this title.

(d) AMOUNT OF GRANTS.—Grants made available under subsection (a) to Mid-Dakota Rural Water System, Inc. and water conservation measures consistent with section 1905 of this title shall not exceed 85 percent of the amount authorized to be appropriated by section 1912 of this title.

(e) LOAN TERMS.—

(1) a loan or loans made to Mid-Dakota Rural Water System, Inc. under the provisions of this title shall be repaid, with interest, within thirty years from the date of each loan or loans and no penalty for prepayment; and

(2) interest on a loan or loans made under subsection (a) to Mid-Dakota Rural Water System, Inc.—

(A) shall be determined by the Secretary of the Treasury on the basis of the weighted average yield of all interest bearing, marketable issues sold by the Treasury during the fiscal year in which the expenditures by the United States were made; and

(B) shall not accrue during planning and construction of the water system, and the first payment on such a loan shall not be due until after completion of construction of the water system.

(f) LIMITATION ON AVAILABILITY OF CONSTRUCTION FUNDS.—The Secretary shall not obligate funds for the construction of the Mid-Dakota Water Supply System until—

(1) the requirements of the National Environmental Policy Act of 1969 have been met; and

(2) a final engineering report has been prepared and submitted to the Congress for a period of not less than ninety days.

(g) COORDINATION WITH THE DEPARTMENT OF AGRICULTURE.—

(1) The Secretary shall coordinate with the Secretary of Agriculture, to the maximum extent practicable, grant and loan assistance made under this section with similar assistance available under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.).

(2) The Secretary of Agriculture shall take into consideration grant and loan assistance available under this section when considering whether to provide similar assistance available under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) to an applicant in the service area defined in subsection (b).

SEC. 1904. FEDERAL ASSISTANCE FOR WETLAND DEVELOPMENT AND ENHANCEMENT.

(a) INITIAL DEVELOPMENT.—The Secretary shall make grants and otherwise make funds available to Mid-Dakota Rural Water System, Inc. and other private, State, and Federal entities for the initial development of the wetland component.

(b) OPERATION AND MAINTENANCE.—The Secretary shall make a grant, providing not to exceed $100,000 annually, to the Mid-Dakota Rural Water System, Inc., for the operation and maintenance of the wetland component.

(c) NONREIMBURSEMENT.—Funds provided under this section shall be nonreimbursable and nonreturnable.

SEC. 1905. WATER CONSERVATION.

(a) WITHHOLDING OF FUNDS.—The Secretary shall not obligate Federal funds for construction of the water system until the Secretary finds that non-Federal entities have developed and implemented water conservation programs throughout the service area of the water system.

(b) PURPOSE OF PROGRAMS.—The water conservation programs required by subsection (a) shall be designed to ensure that users of water from the water system will use the best practicable technology and management techniques to reduce water use and water system costs.

(c) DESCRIPTION OF PROGRAMS.—Such water conservation programs shall include (but are not limited to) adoption and enforcement of the following—

(1) low consumption performance standards for all newly installed plumbing fixtures;

(2) leak detection and repair programs;

(3) metering for all elements and individual connections of the rural water supply systems to be accomplished within five years. (For purposes of this paragraph, residential buildings of more than four units may be considered as individual customers);

(4) declining block rate schedules shall not be used for municipal households and special water users (as defined in the feasibility study);

(5) public education programs; and

(6) coordinated operation among each rural water system and the preexisting water supply facilities in its service area.

Such programs shall contain provisions for periodic review and revision, in cooperation with the Secretary.

SEC. 1906. MITIGATION OF FISH AND WILDLIFE LOSSES.

Mitigation for fish and wildlife losses incurred as a result of the construction and operation of the water system shall be on an acre for acre basis, based on ecological equivalency, concurrent with project construction.

SEC. 1907. USE OF PICK-SLOAN POWER.

(a) IN GENERAL.—From power designated for future irrigation and drainage pumping for the Pick-Sloan Missouri River Basin Program, Western shall make available the capacity and energy required to meet the pumping and incidental operational requirements of the water system during the summer electrical season.

(b) CONDITIONS.—The capacity and energy described in subsection (a) shall be made available on the following conditions:

(1) The water system shall be operated on a not-for-profit basis.

(2) The water system shall contract to purchase its entire electric service requirements, including the capacity and energy made available under subsection (a), from a cooperative power supplier which purchases power from a cooperative power supplier which itself purchases power from Western.

(3) The rate schedule applicable to the capacity and energy made available under subsection (a) shall be Western's Pick-Sloan Eastern Division Firm Power Rate Schedule in effect when the power is delivered by Western.

(4) It shall be agreed by contract among—

(A) Western;

(B) the power supplier with which the water system contracts under paragraph (2);

(C) that entity's power supplier; and

(D) Mid-Dakota Rural Water System, Inc., that for the capacity and energy made available under subsection (a), the benefit of the rate schedule described in paragraph (3) shall be passed through to the water system, but the water system's power supplier shall not be precluded from including in its charges to the water system for such electric service its other usual and customary charges.

(5) Mid-Dakota Rural Water System, Inc., shall pay its power supplier for electric service, other than for capacity and energy supplied pursuant to subsection (a), in accordance with the power supplier's applicable rate schedule.

SEC. 1908. RULE OF CONSTRUCTION.

This title shall not be construed to limit authorization for water projects in the State of South Dakota under existing law or future enactments.

SEC. 1909. WATER RIGHTS.

Nothing in this title shall be construed to—

(1) invalidate or preempt State water law or an interstate compact governing water;

(2) alter the rights of any State to any appropriated share of the waters of any body of surface or ground water, whether determined by past or future interstate compacts or by past or future legislative or final judicial allocations;

(3) preempt or modify any State or Federal law or interstate compact dealing with water quality or disposal; or

(4) confer upon any non-Federal entity the ability to exercise any Federal right to the waters of any stream or to any ground water resources.

SEC. 1910. USE OF GOVERNMENT FACILITIES.

The use of and connection of water system facilities to Government facilities at the Oahe powerhouse and pumping plant and their use for the purpose of supplying water to the water system may be permitted to the extent that such use does not detrimentally affect the use of those Government facilities for the other purposes for which they are authorized.

SEC. 1911. WETLAND TRUST.

(a) FEDERAL CONTRIBUTIONS.—The Secretary shall make a Federal contribution to a wetland trust that is—

(1) established in accordance with subsection (b); and

(2) operated in accordance with subsection (c), in the amount of $3,000,000 in the first year in which a contribution is made and $1,000,000 in each of the following four years.

(b) ESTABLISHMENT OF WETLAND TRUST.—A wetland trust is established in accordance with this subsection if—

(1) the wetland trust is administered by the Foundation;

(2) the Foundation is under the direction of a Board of Directors that has power to man-

age all affairs of the Foundation, including administration, data collection, and implementation of the purposes of the wetland trust;

(3) members of the Board of Directors of the Foundation serve without compensation;

(4) the corporate purposes of the Foundation in administering the wetland trust are to preserve, enhance, restore, and manage wetland and associated wildlife habitat in the State of South Dakota;

(5) an advisory committee is created to provide the Board of Directors of the Foundation with necessary technical expertise and the benefit of a multiagency perspective;

(6) the advisory committee described in paragraph (5) is composed of—

(A) 1 member of the staff of the Wildlife Division of the South Dakota Department of Game, Fish and Parks, appointed by the Secretary of that department;

(B) 1 member of the United States Fish and Wildlife Service, appointed by the Director of Region 6 of the United States Fish and Wildlife Service;

(C) 1 representative from the Department of Agriculture, as determined by the Secretary of Agriculture; and

(D) 3 residents of the State of South Dakota who are members of wildlife or environmental organizations, appointed by the Governor of the State of South Dakota; and

(7) the wetland trust is empowered to accept non-Federal donations, gifts, and grants.

(c) OPERATION OF WETLAND TRUST.—The wetland trust shall be considered to be operated in accordance with this subsection if—

(1) the wetland trust is operated to preserve, enhance, restore, and manage wetlands and associated wildlife habitat in the State of South Dakota;

(2) under the corporate charter of the Foundation, the Board of Directors, acting on behalf of the Foundation, is empowered to—

(A) acquire lands and interests in land and power to acquire water rights (but only with the consent of the owner);

(B) acquire water rights; and

(C) finance wetland preservation, enhancement, and restoration programs;

(3)(A) all funds provided to the wetland trust under subsection (a) are to be invested in accordance with subsection (d);

(B) no part of the principal amount (including capital gains thereon) of such funds are to be expended for any purpose;

(C) the income received from the investment of such funds is to be used only for purposes and operations in accordance with this subsection or, to the extent not required for current operations, reinvested in accordance with subsection (d);

(D) income earned by the wetland trust (including income from investments made with funds other than those provided to the wetland trust under subsection (a)) is used to—

(i) enter into joint ventures, through the Division of Wildlife of the South Dakota Department of Game, Fish and Parks, with public and private entities or with private landowners to acquire easements or leases or to purchase wetland and adjoining upland; or

(ii) pay for operation and maintenance of the wetland component;

(E) when it is necessary to acquire land other than wetland and adjoining upland in connection with an acquisition of wetland and adjoining upland, wetland trust funds (including funds other than those provided to the wetland trust under subsection (a) and income from investments made with such funds) are to be used only for acquisition of the portions of land that contain wetland and adjoining upland that is beneficial to the wetland;

(F) all land purchased in fee simple with wetland trust funds shall be dedicated to wetland preservation and use; and

(G)(i) proceeds of the sale of land or any part thereof that was purchased with wetland trust funds are to be remitted to the wetland trust;

(ii) management, operation, development, and maintenance of lands on which leases or easements are acquired;

(iii) payment of annual lease fees, one-time easement costs, and taxes on land areas containing wetlands purchased in fee simple;

(iv) payment of personnel directly related to the operation of the wetland trust, including administration; and

(v) contractual and service costs related to the management of wetland trust funds, including audits.

(4) the Board of Directors of the Foundation agrees to provide such reports as may be required by the Secretary and makes its records available for audit by Federal agencies; and

(5) the advisory committee created under subsection (b)—

(A) recommends criteria for wetland evaluation and selection: *Provided*, That income earned from the Trust shall not be used to mitigate or compensate for wetland damage caused by Federal water projects;

(B) recommends wetland parcels for lease, easement, or purchase and states reasons for its recommendations; and

(C) recommends management and development plans for parcels of land that are purchased.

(d) INVESTMENT OF WETLAND TRUST FUNDS.—(1) The Secretary, in consultation with the Secretary of the Treasury, shall establish requirements for the investment of all funds received by the wetland trust under subsection (a) or reinvested under subsection (c)(3).

(2) The requirements established under paragraph (1) shall ensure that—

(A) funds are invested in accordance with sound investment principles; and

(B) the Board of Directors of the Foundation manages such investments and exercises its fiduciary responsibilities in an appropriate manner.

(e) COORDINATION WITH THE SECRETARY OF AGRICULTURE.—

(1) The Secretary shall make the Federal contribution under subsection (a) after consulting with the Secretary of Agriculture to provide for the coordination of activities under the wetland trust established under subsection (b) with the water bank program, the wetlands reserve program, and any similar Department of Agriculture programs providing for the protection of wetlands.

(2) The Secretary of Agriculture shall take into consideration wetland protection activities under the wetland trust established under subsection (b) when considering whether to provide assistance under the water bank program, the wetlands reserve program, and any similar Department of Agriculture programs providing for the protection of wetlands.

SEC. 1912. AUTHORIZATION OF APPROPRIATIONS.

(a) WATER SYSTEM.—There are authorized to be appropriated to the Secretary $100,000,000 for the planning and construction of the water system under section 1903, plus such sums as are necessary to defray increases in development costs reflected in appropriate engineering cost indices after October 1, 1989, such sums to remain available under expended.

(b) WETLAND COMPONENT.—There are authorized to be appropriated to the Secretary—

(1) $2,756,000 for the initial development of the wetland component under section 1904;

(2) such sums as are necessary for the operation and maintenance of the wetland component, not exceeding $100,000 annually, under section 1904; and

(3) $7,000,000 for the Federal contribution to the wetland trust under section 1911.

TITLE XX—LAKE ANDES-WAGNER, SOUTH DAKOTA

SEC. 2001. DRAINAGE DEMONSTRATION PROGRAMS.

(a) The Secretary, acting pursuant to existing authority under the Federal reclamation laws, shall, through the Bureau of Reclamation, in coordination with the Secretary of Agriculture and with the assistance and cooperation of an oversight committee (hereafter "Oversight Committee") consisting of representatives of the Bureau of Indian Affairs, Agricultural Research Service of the Department of Agriculture, Soil Conservation Service of the Department of Agriculture, Extension Service of the Department of Agriculture, Environmental Protection Agency, United States Fish and Wildlife Service, United States Geological Survey, South Dakota Department of Game, Fish and Parks, South Dakota Department of Water and Natural Resources, Yankton-Sioux Tribe, and the Lake Andes-Wagner Water System, Inc. carry out a demonstration program (hereafter in this title the "Demonstration Program") in substantial accordance with the "Lake Andes-Wagner-Marty II Demonstration Program Plan of Study," dated May 1990, a copy of which is on file with the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate. Such Demonstration Program shall be conducted in accordance with the environmental analysis and documentation requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

(b) The objectives of the Demonstration Program shall include—

(1) development of accurate and definitive means of quantifying projected irrigation and drainage requirements, and providing reliable estimates of drainage return flow quality and quantity, with respect to glacial till and other soils found in the specific areas to be served with irrigation water by the planned Lake Andes-Wagner Unit and Marty II Unit and which may also have application to the irrigation and drainage of similar soils found in other areas of the United States;

(2) development of best management practices for the purpose of improving the efficiency of irrigation water use and developing and demonstrating management techniques and technologies for glacial till soils which will prevent or otherwise ameliorate the degradation of water quality by irrigation practices;

(3) investigation and demonstration of the potential for development and enhancement of wetlands and fish and wildlife within and adjacent to the service areas of the planned Lake Andes-Wagner Unit and the Marty II Unit through the application of water, and other management practices;

(4) investigation and demonstration of the suitability of glacial till soils for crop production under irrigation, giving special emphasis to crops of agricultural commodities for which an acreage reduction program is not in effect under the provisions of the Ag-

riculture Act of 1949 (7 U.S.C. 1462 et seq.) or by any successor programs established for crop years subsequent to 1990.

(c) Study sites shall be obtained through leases from landowners who voluntarily agree to participate in the Demonstration Program under the following conditions—

(1) rentals paid under a lease shall be based on the fair rental market value prevailing for dry land farming of lands of similar quantity and quality plus a payment representing reasonable compensation for inconveniences to be encountered by the lessor;

(2) the Demonstration Program shall provide for the—

(A) supply all water, delivery system, pivot systems and drains;

(B) operation and maintenance of the irrigation system;

(C) Secretary of Agriculture to supply all seed, fertilizers and pesticides and make standardized equipment;

(D) Secretary of Agriculture to determine crop rotations and cultural practices; and

(E) Secretary and Secretary of Agriculture to have unrestricted access to leased lands;

(3) the Secretary and the Secretary of Agriculture may, in accordance with the Demonstration Program contract with the lessor and/or custom operators to accomplish agricultural work, which work shall be performed in accordance with the Demonstration Program;

(4) no grazing may be performed on a study site;

(5) crops grown shall be the property of the United States; and

(6) at the conclusion of the lease, the lands involved will, to the extent practicable, be restored by the Secretary to their preleased condition at no expense to the lessor.

(d) The Secretary of Agriculture shall offer crops grown under the Demonstration Program for sale to the highest bidder under terms and conditions to be prescribed by the Secretary of Agriculture. Any crops not sold shall be disposed of as the Secretary of Agriculture determines to be appropriate, except that no crop may be given away to any for-profit entity or farm operator. All receipts from crop sales shall be covered into the Treasury to the credit of the fund from which appropriations for the conduct of the Demonstration Program are derived.

(e) The land from each ownership in a study site shall be established by the Secretary as a separate farm. The Secretary of Agriculture shall provide for lessors to preserve the cropland base and history on lands leased to the Demonstration Project under the same terms and conditions provided for under section 1236(b) of the Food Security Act of 1985 (7 U.S.C. 3836(b)). Establishment of such study site farms shall not entitle the Secretary to participate in farm programs or to build program base.

(f) The Secretary shall periodically, but not less often than once a year, report to the Committee on Interior and Insular Affairs, the Committee on Agriculture, and the Committee on Merchant Marine and Fisheries of the House of Representatives, to the Committee on Energy and Natural Resources and the Committee on Agriculture, Nutrition, and Forestry of the Senate, and to the Governor of South Dakota concerning the activities undertaken pursuant to this section. The Secretary's reports and other information and data developed pursuant to this section shall be available to the public without charge. Each Demonstration Program report, including the report referred to in paragraph (3) of this subsection, shall evaluate data covering the results of the Demonstration Program as carried out in the six study sites during the period covered by the report together with data developed under the wetlands enhancement aspect during that period. The demonstration phase of the Demonstration Program shall terminate at the conclusion of the fifth full irrigation season. Promptly thereafter, the Secretary shall—

(1) remove temporary facilities and equipment and restore the study sites as nearly as practicable to their prelease condition. The Secretary may transfer the pumping plant and/or distribution lines to public agencies for uses other than commercial irrigation if so doing would be less costly than removing such equipment;

(2) otherwise wind up the Demonstration Program; and

(3) prepare in coordination with the Secretary of Agriculture a concluding report and recommendations covering the entire demonstration phase, which report shall be transmitted by the Secretary to the Congress and to the Governor of South Dakota not later than April 1 of the calendar year following the calendar year in which the demonstration phase of the Demonstration Program terminates. The Secretary's concluding report, together with other information and data developed in the course of the Demonstration Program, shall be available to the public without charge.

(g) Costs of the Demonstration Program funded by Congressional appropriations shall be accounted for pursuant to the Act of October 29, 1971 (85 Stat. 416). Costs incurred by the State of South Dakota and any agencies thereof arising out of consultation and participation in the Demonstration Program shall not be reimbursed by the United States.

(h) Funding to cover expenses of the Federal agencies participating in the Demonstration Program shall be included in the budget submittals for the Bureau of Reclamation. The Secretary, using only funds appropriated for the Demonstration Program, shall transfer to the other Federal agencies funds in amounts sufficient to offset expenses incurred under this title.

SEC. 2002. PLANNING REPORTS—ENVIRONMENTAL IMPACT STATEMENTS.

(a) On the basis of the concluding report and recommendations of the Demonstration Program provided for in section 2001, the Secretary shall comply with the study and reporting requirements of the National Environmental Policy Act and regulations issued to implement the provisions thereof with respect to the Lake Andes-Wagner Unit and Marty II Unit. The final reports prepared under this subsection shall be transmitted to the Congress simultaneously with their filing with the Environmental Protection Agency.

(b) Each report prepared under subsection (a) shall include a detailed plan providing for the prevention or avoidance of adverse water quality conditions attributable to agricultural drainage water originating from lands to be irrigated by the Unit to which the report pertains. The Department shall not recommend that any such Unit be constructed unless the respective report prepared pursuant to subsection (a) is accompanied by findings by the Secretary of Agriculture, the Director of the United States Fish and Wildlife Service, and the Administrator of the Environmental Protection Agency that the Unit to which the report pertains can be constructed, operated and maintained so as to comply with all applicable water quality standards and avoid all adverse effects to fish and wildlife resulting from the bioaccumulation of selenium.

SEC. 2003. INDIAN EMPLOYMENT.

In carrying out this title, preference shall be given to the employment of members of the Yankton-Sioux Tribe who can perform the work required regardless of age (subject to existing laws and regulations), sex, or religion, and to the extent feasible in connection with the efficient performance of such functions training and employment opportunities shall be provided members of the Yankton-Sioux Tribe regardless of age (subject to existing laws and regulations), sex, or religion who are not fully qualified to perform such functions.

SEC. 2004. FEDERAL RECLAMATION LAWS.

This title is a supplement to the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts supplemental thereto and amendatory thereof).

SEC. 2005. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such amounts as may be necessary to carry out the Demonstration Program authorized by this title.

Of the amounts appropriated pursuant to this section, 5 percent of the total shall be utilized by the Director of the United States Fish and Wildlife Service to fund projects on Western National Wildlife Refuges designed to mitigage the adverse effects of selenium on populations of fish and wildlife within such refuges.

TITLE XXI—INSULAR AREAS STUDY

SEC. 2101. FINDINGS.

The Congress hereby finds and declares that assuring adequate supplies of water, sewerage, and power for the residents of American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, the Trust Territory of the Pacific Islands, and the Virgin Islands has become a problem of such magnitude that the welfare and prosperity of these insular areas require the Federal Government to assist in finding permanent, long-term solutions to their water, sewerage, and power problems.

SEC. 2102. AUTHORIZATION OF STUDY.

The Secretary of the Interior is authorized and directed to undertake a comprehensive study of how the long-term water, sewerage, and power needs of American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, the Trust Territory of the Pacific Islands, and the Virgin Islands can be resolved. Such study shall be conducted in consultation with the governments of these insular areas.

SEC. 2103. REQUIREMENTS OF STUDY.

Such study shall include for each jurisdiction, but not be limited to—

(1) an assessment of the magnitude and extent of current and expected needs;

(2) an assessment of how the needs can be resolved;

(3) the costs and benefits of alternative solutions;

(4) the need for additional legal authority for the President to take actions to meet the needs; and

(5) specific recommendations for the role of the Federal Government and each insular government in solving the needs.

SEC. 2104. THE INSULAR AREAS ENERGY ASSISTANCE AMENDMENT OF 1991.

Section 604 of the Act entitled "An Act to authorize appropriations for certain insular areas of the United States, and for other purposes", Public Law 96-597, as amended by Public Law 98-213 (48 U.S.C. 1492), is amended by adding the following subsection:

"(g)(1) There are hereby authorized to be appropriated $500,000 to the Secretary of Energy for each fiscal year for grants to insular area governments to carry out projects to

evaluate the feasibility of, develop options for, and encourage the adoption of energy efficiency and renewable energy measures which reduce the dependence of the insular area on imported fuels and improve the quality of life in the insular area.

"(2) Factors which shall be considered in determining the amount of financial assistance to be provided for a proposed energy-efficiency or renewable energy grant under this subsection shall include, but not be limited to, the following—

"(A) whether the measure will reduce the relative dependence of the insular area on imported fuels;

"(B) The ease and costs of operation and maintenance of any facility contemplated as part of the project;

"(C) whether the project will rely on the use of conservation measures or indigenous, renewable energy resources that were identified in the report by the Secretary of Energy pursuant to this section or identified by the Secretary as consistent with the purposes of this section; and

"(D) whether the measure will contribute significantly to the quality of the environment in the insular area.".

TITLE XXII—SUNNYSIDE VALLEY IRRIGATION DISTRICT, WASHINGTON

SEC. 2201. CONVEYANCE TO SUNNYSIDE VALLEY IRRIGATION DISTRICT.

The Secretary of the Interior shall convey to Sunnyside Valley Irrigation District of Sunnyside, Washington, by quitclaim deed or other appropriate instrument and without consideration, all right, title, and interest of the United States, excluding oil, gas, and other mineral deposits, in and to a parcel of public land described at lots 1 and 2 of block 34 of the town of Sunnyside in section 25, township 10 north, range 22 east, Willamette Meridian, Washington.

TITLE XXIII—PLATORO DAM AND RESERVOIR, COLORADO

SEC. 2301. FINDINGS AND DECLARATIONS.

The Congress finds and declares the following:

(1) Platoro Dam and Reservoir of the Platoro Unit of the Conejos Division of the San Luis Valley Project was built in 1951 and for all practical purposes has not been usable because of the constraints imposed by the Rio Grande Compact of 1939 on the use of the Rio Grande River among the States of Colorado, New Mexico, and Texas.

(2) The usefulness of Platoro Reservoir under future compact compliance depends upon the careful conservation and wise management of water and requires the operation of the reservoir project in conjunction with privately owned water rights of the local water users.

(3) It is in the best interest of the people of the United States to—

(A) transfer operation, maintenance, and replacement responsibility for the Platoro Dam and Reservoir to the Conejos Water Conservancy District of the State of Colorado, which is the local water user district with repayment responsibility to the United States, and the local representative of the water users with privately owned water rights;

(B) relieve the people of the United States from further financial risk or obligation in connection with the collection of construction charge repayments and annual operation and maintenance payments for the Platoro Dam and Reservoir by providing for payment of a one-time fee to the United States in lieu of the scheduled annual payments and termination of any further repayment obligation to the United States pursuant to the existing repayment contract between the United States and the District (Contract No. Ilr-1529, as amended); and

(C) determine such one time fee, taking into account the assumption by the District of all of the operations and maintenance costs associated with the reservoir, including the existing Federal obligation for the operation and maintenance of the reservoir for flood control purposes, and taking into account 50 percent sharing of the cost of maintaining a minimum stream flow as provided in section 2(d) of this title.

SEC. 2302. TRANSFER OF OPERATION AND MAINTENANCE RESPONSIBILITY OF PLATORO RESERVOIR.

(a) IN GENERAL.—The Secretary is authorized and directed to undertake the following:

(1) Accept a one-time payment of $450,000 from the District in lieu of the repayment obligation of paragraphs 8(d) and 11 of the Repayment Contract between the United States and the District (No. Ilr-1529) as amended.

(2) Enter into an agreement for the transfer of all of the operation and maintenance functions of the Platoro Dam and Reservoir, including the operation and maintenance of the reservoir for flood control purposes, to the District. The agreement shall provide—

(A) that the District will have the exclusive responsibility for operations and the sole obligation for all of the maintenance of the reservoir in a satisfactory condition for the life of the reservoir subject to review of such maintenance by the Secretary to ensure compliance with reasonable operation, maintenance and dam safety requirements as they apply to Platoro Dam and Reservoir under Federal and State law; and

(B) that the District shall have the exclusive use and sole responsibility for maintenance of all associated facilities, including outlet works, remote control equipment, spillway, and land and buildings in the Platoro townsite. The District shall have sole responsibility for maintaining the land and buildings in a condition satisfactory to the United States Forest Service.

(b) TITLE.—Title to the Platoro Dam and Reservoir and all associated facilities shall remain with the United States, and authority to make recreational use of Platoro Dam and Reservoir shall be under the control and supervision of the United States Forest Service, Department of Agriculture.

(c) AMENDMENTS TO CONTRACT.—The Secretary is authorized to enter into such other amendments to such Contract Numbered Ilr-1529, as amended, necessary to facilitate the intended operations of the project by the District. All applicable provisions of the Federal reclamation laws shall remain in effect with respect to such contract.

(d) CONDITIONS IMPOSED UPON THE DISTRICT.—The transfer of operation and maintenance responsibility under subsection (a) shall be subject to the following conditions:

(1)(A) The District will, after consultation with the United States Forest Service, Department of Agriculture, operate the Platoro Dam and Reservoir in such a way as to provide—

(i) that releases or bypasses from the reservoir flush out the channel of the Conejos River periodically in the spring or early summer to maintain the hydrologic regime of the river; and

(ii) that any releases from the reservoir contribute to even flows in the river as far as possible from October 1 to December 1 so as to be sensitive to the brown trout spawn.

(B) Operation of the Platoro Dam and Reservoir by the District for water supply uses (including storage and exchange of water rights owned by the District or its constituents), interstate compact and flood control purposes shall be senior and paramount to the channel flushing and fishery objectives referred to in subparagraph (A).

(2) The District will provide and maintain a permanent pool in the Platoro Reservoir for fish, wildlife, and recreation purposes, in the amount of 3,000 acre-feet, including the initial filling of the pool and periodic replenishment of seepage and evaporation loss: *Provided, however*, That if necessary to maintain the winter instream flow provided in subparagraph (3), the permanent pool may be allowed to be reduced to 2,400 acre-feet.

(3) In order to preserve fish and wildlife habitat below Platoro Reservoir, the District shall maintain releases of water from Platoro Reservoir of at least 7 cubic feet per second during the months of October through April and shall bypass 40 cubic feet per second or natural inflow, whichever is less, during the months of May through September.

(4) The United States Forest Service, Department of Agriculture, is directed to monitor operation of Platoro Reservoir regularly including releases from it for instream flow purposes and to enforce the provisions of this subsection under the laws, regulations, and rules applicable to the National Forest System.

(e) FLOOD CONTROL MANAGEMENT.—The Secretary of the Army, acting through the Chief of Engineers, shall retain exclusive authority over Platoro Dam and Reservoir for flood control purposes and shall direct the District in the operation of the dam for such purposes. To the extent possible, management by the Secretary of the Army under this shall be consistent with the water supply use of the reservoir, with the administration of the Rio Grande Compact of 1939 by the Colorado State Engineer and with the provisions of subsection (d) hereof. The Secretary of the Army shall enter into a Letter of Understanding with the District and the United States Bureau of Reclamation prior to transfer of operations which details the responsibility of each party and specifies the flood control criteria for the reservoir.

(f) COMPLIANCE WITH COMPACT AND OTHER LAWS.—The transfer under section 2 shall be subject to the District's compliance with the Rio Grande Compact of 1939 and all other applicable laws and regulations, whether of the State of Colorado or of the United States.

SEC. 2303. DEFINITIONS.

As used in this title—

(1) the term "District" means the Conejos Water Conservancy District of the State of Colorado;

(2) the term "Federal reclamation laws" means the Act of June 17, 1902 (32 Stat. 388), and Acts supplementary thereto and amendatory thereof;

(3) the term "Platoro Reservoir" means the Platoro Dam and Reservoir of the Platoro Unit of the Conejos Division of the San Luis Valley Project; and

(4) the term "Secretary" means the Secretary of the Interior.

TITLE XXIV—SLY PARK UNIT, CENTRAL VALLEY PROJECT

SEC. 2401. SHORT TITLE.

This title may be cited as the "Sly Park Unit Sale Act".

SEC. 2402. SALE OF THE SLY PARK UNIT.

(a) IN GENERAL.—The Secretary shall, as soon as practicable after the date of enactment of this title, sell the Sly Park Unit to the El Dorado Irrigation District.

(b) SALE PRICE.—The sale price shall not exceed—

(1) the construction costs as included in the accounts of the Secretary, plus

(2) interest on the construction costs allocated to domestic use at the authorized rate included in enactment of the Act of October 14, 1949 (63 Stat. 852) up to an agreed upon date, plus

(3) the presently assigned Federal operation and maintenance costs, less

(4) all revenues to date as collected under the terms of the contract (14-06-200-949) between the United States and the El Dorado Irrigation District.

(c) TERMS OF PAYMENT.—The Secretary may negotiate for a payment of the purchase price on a lump-sum basis or on a semi-annual basis for a term of not to exceed twenty years. If payment is not to be lump-sum, then the interest rate to be paid by the District shall be the rate referred to in subsection (b)(2).

(d) CONVEYANCE.—Upon completion of payment by the District, the Secretary shall convey to the El Dorado Irrigation District all right, title, and interest of the United States in and to the Sly Park Unit. All costs associated with the transfer shall be borne by the District.

SEC. 2403. DEFINITIONS.

For purposes of this title, the term:

(1) "El Dorado Irrigation District" or "District" means a political subdivision of the State of California duly organized, existing, and acting pursuant to the laws thereof with its principal place of business in the city of Placerville, El Dorado County, California.

(2) "Secretary" means the Secretary of the Interior.

(3) "Sly Park Unit" means the Sly Park Dam and Reservoir, Camp Creek Diversification Dam and Tunnel and conduits and canals as authorized under the American River Act of October 14, 1949 (63 Stat. 852).

TITLE XXV—COST FOR DELIVERY OF WATER USED TO PRODUCE THE CROPS OF CERTAIN AGRICULTURAL COMMODITIES

SEC. 2501. COST FOR DELIVERY OF WATER USED TO PRODUCE THE CROPS OF CERTAIN AGRICULTURAL COMMODITIES.

Section 9 of the Reclamation Projects Act of 1939 (43 U.S.C. 485h) is amended by inserting at the end thereof the following new subsection:

"(g)(1) All contracts entered into, renewed, or amended under authority of this section or any other provision of Federal reclamation law after—

"(A) two years after the date of the enactment of this subsection shall require that the organization agree by contract with the Secretary to pay at least 50 percent of full cost for the delivery of water used in the production of any crop of an agricultural commodity for which an acreage reduction program is in effect under the provisions of the Agricultural Act of 1949, if the stocks of such commodity in domestic storage exceed an amount that the Secretary of Agriculture determines is necessary to provide for a reserve of such commodity that can reasonably be expected to meet a shortage of such commodity caused by foreseeable disruptions in the supply of such commodity, as determined by the Secretary of Agriculture; and

"(B) four years after the date of the enactment of this subsection shall require that the organization agree by contract with the Secretary to pay at least full cost for the delivery of water used in the production of any crop of an agricultural commodity for which an acreage reduction program is in effect under the provisions of the Agricultural Act of 1949, if the stocks of such commodity in domestic storage exceed an amount that the Secretary of Agriculture determines is necessary to provide for a reserve of such commodity that can reasonably be expected to meet a shortage of such commodity caused by foreseeable disruptions in the supply of such commodity, as determined by the Secretary of Agriculture.

"(2) The Secretary shall announce the amount of the full cost payment for the succeeding year on or before July 1 of each year.

"(3)(A) The Secretary shall credit against any additional payment obligation established by this subsection 70 percent of the costs incurred by individuals or districts subject to the provisions of this subsection during the period beginning on the date of enactment of this subsection and ending on December 31, 1996, up to a maximum cost of $100 per irrigated acre, for the installation of water conservation measures approved by the Secretary. The Secretary shall grant such credit only upon finding that installation of such measures, and any mitigation pursuant to subparagraph (B), have been completed. Credit that exceeds such repayment obligation in any one year shall be applied in each succeeding year until fully utilized. Within one year from the date of enactment of this subsection, the Secretary shall promulgate rules to carry out the provisions of this paragraph.

"(B) Mitigation for fish and wildlife habitat losses, if any, incurred as a result of the installation and operation of such water conservation measures shall be on an acre-for-acre basis, based on ecological equivalency, concurrent with installation of such conservation measures, and shall be the responsibility of the individual or district served by such measures.

"(4) As used in this subsection, the term 'full cost' shall have the meaning given such term in paragraph (3) of section 202 of the Reclamation Reform Act of 1982.

"(5) This subsection shall not apply to—

"(A) any contract which provides for irrigation on individual Indian or tribal lands on which repayment is deferred pursuant to the Act of July 1, 1932 (chap. 369; 47 Stat. 564; 25 U.S.C. 386(a); commonly referred to as the 'Levitt Act');

"(B) an amendment of any contract with any organization which, on the date of enactment of this subsection, is required pursuant to a contract with the Secretary as a condition precedent to the delivery of water to make cash contributions of at least 20 percent of the cost of construction of irrigation facilities by the Secretary;

"(C) any contract which carries out the provisions of the Garrison Diversion Unit Reformulation Act of 1986 (Public Law 99-294), 100 Stat. 418; and

"(D) water delivered to any agricultural producer who is not a participant in any acreage reduction program in effect under the Agricultural Act of 1949.".

TITLE XXVI—HIGH PLAINS GROUNDWATER PROGRAM

SEC. 2601. HIGH PLAINS STATES GROUNDWATER DEMONSTRATION PROGRAM ACT.

The High Plains States Groundwater Demonstration Program Act of 1983 (43 U.S.C. 390g-1 et seq.) is amended as follows:

(1) Section 4(c)(2) and section 5 are each amended by striking "final report" each place it appears and inserting "summary report".

(2) Section 4(c) is amended by adding at the end the following:

"(3) In addition to recommendations made under section 3, the Secretary shall make additional recommendations for design, construction, and operation of demonstration projects. Such projects are authorized to be designed, constructed, and operated in accordance with subsection (a).

"(4) Each project under this section shall terminate 5 years after the date on which construction on the project is completed.

"(5) At the conclusion of phase II the Secretary shall submit a final report to the Congress which shall include, but not be limited to, a detailed evaluation of the projects under this section.".

(3) Section 7 is amended by striking "$20,000,000 (October 1983 price levels)" and inserting in lieu thereof "$34,000,000 (October 1990 price levels) plus or minus such amounts, if any, as may be required by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the type of construction involved herein".

TITLE XXVII—SOLANO PROJECT TRANSFER AND PUTAH CREEK IMPROVEMENT

SEC. 2701. SHORT TITLE.

This title may be cited as the "Solano Project Transfer and Putah Creek Improvement Act".

SEC. 2702. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) the Solano Project is a Federal reclamation project located in Solano, Yolo, and Napa Counties, California. The project was constructed by the United States between 1953 and 1958 for the purposes of providing water supply and incidental flood control benefits;

(2) the Solano Project supplies approximately 65 per centum of Solano County's public water supply;

(3) the California State Water Resources Control Board has granted, pursuant to California law, water rights permits to the Bureau of Reclamation for the Solano Project which establish that Solano County is the place of use for Solano Project water, with the exception of four thousand acre-feet used annually by the University of California-Davis in Yolo County pursuant to contract, and with a provisional reservation of up to thirty-three thousands acre-feet for the Putah Creek watershed above Monticello Dam;

(4) repayment of the Solano Project's reimbursable capital costs is the exclusive obligation of the Solano County Water Agencies, and said agencies have repaid more than half of these costs;

(5) the Solano County Water Agencies perform all operation and maintenance for the Solano Project under contract with the United States, and they have paid all operation and maintenance costs of the project;

(6) the Solano Project has no financial or physical interconnection with any other local, State, or Federal water project;

(7) the Solano Project impounds and diverts the waters of Putah Creek, which support riparian habitat, including a riparian reserve operated by the University of California, and both a cold water fishery and a warm water fishery;

(8) the United States Fish and Wildlife Service currently is preparing a Putah Creek Resource Management Plan; and

(9) interested local public agencies and private organizations in Solano and Yolo Counties have formed an advisory group to provide advice regarding Putah Creek enhancement activities.

(b) PURPOSES.—The purposes of this title are—

(1) to convey to the Water Users fee title to the water supply facilities of the Solano

Project upon payment to the United States by the Water Users of the sum calculated in accordance with section 2704 of this title;

(2) to provide for continuation of all public benefit purposes of the Solano Project;

(3) to protect Putah Creek fisheries, wildlife and riparian habitat, ground water recharge and diversion rights downstream of the Putah Diversion Dam in conformance with all applicable decisions and orders of the California State Water Resources Control Board and courts of competent jurisdiction, and all applicable State laws;

(4) to provide for enhancement of Putah Creek fisheries, wildlife and riparian habitat;

(5) to provide the Water Users with local ownership over their principal public water supply facilities;

(6) to eliminate significant Federal liabilities; and

(7) to benefit the Federal Treasury from such payment and title transfer.

SEC. 2703. DEFINITIONS.

For the purposes of this title, the term:

(a) "Book value" of the water supply facilities means an amount which equals the product of the depreciable facilities costs and the applicable depreciation factor.

(b) "Capital/O&M adjustment" means the amount in arrears, if any, of capital repayments or operation and maintenance expenses due pursuant to the water service contract, plus accrued interest.

(c) "Construction defect and dam safety adjustment" means $7,270,000 for purposes of this Act.

(d) "Depreciable facilities costs" means the reimbursable capital costs of the water supply facilities of the Project which are to be transferred.

(e) "Depreciation factor" means a percentage derived by calculating the number and fraction of years between the date of purchase and the year 2033 and then dividing by 75.

(f) "Interim water releases" means: (1) releases into Lower Putah Creek of water owned by the Water Users, or any constituent entity thereof, in an amount not to exceed 2,700 acre-feet in 1991 and 3,000 acre-feet in 1992; and (2) releases into lower Putah Creek of water owned by the Yolo County Entities, or any member thereof, in an amount not to exceed 3,000 acre-feet in either 1991 or 1992.

(g) "Lower Putah Creek Coordinating Committee" means an advisory committee established to assist the Secretary in coordinating Federal, State and local efforts to protect and enhance the habitat of Putah Creek. This Committee is to consist of a maximum of fourteen members, up to seven of which are to be appointed by the Water Users and up to seven of which are to be appointed by the Yolo County Entities. The Committee is not an agency or establishment of the United States.

(h) "Lower Putah Creek" means that portion of Putah Creek extending from the Putah Diversion Dam to the Yolo Bypass in Yolo County, California.

(i) "Reimbursable capital costs" means the original reimbursable costs of the Solano Project, as set forth in the Bureau of Reclamation document entitled "Solano Project Statement of Project Construction Cost and Repayment," dated September 30, 1989 ("Solano Project Statement") attached as Appendix "A" in the report accompanying H.R. 429.

(j) "Remaining indebtedness" means the remaining balance of the reimbursable capital costs of the Solano Project, as set forth in the Solano Project Statement, and as adjusted thereafter to reflect any payments made prior to the date of transfer.

(k) "Secretary" means the Secretary of the Interior.

(l) "Solano County Water Agencies" means one or more public agencies in Solano County which have used water from the Solano Project and who are member agencies of the Water Users.

(m) "Solano Project" means the reclamation project described in House Document Numbered 65, Eighty-first Congress, first session (1949).

(n) "Water service contract" means the contract between the United States and the Solano County Flood Control and Water Conservation District for water service and for operation and maintenance of certain works of the Solano Project, dated March 7, 1955 (Contract No. 14-06-200-4090).

(o) "Water supplies facilities" means—

(1) the Monticello Dam and spillway;

(2) Lake Solano, its lands and facilities, and the Putah Diversion Dam;

(3) the Putah South Canal; and

(4) all appurtenant facilities, lands, easements and rights-of-way.

This term does not include Lake Berryessa, its shoreline or any recreational features of the Solano Project, excepting recreational facilities leased and operated by Solano County on lands surrounding Lake Solano.

(p) "Water Users" means a public agency formed under the laws of the State of California duly organized and existing—

(1) including all member public agencies of the Solano Water Authority and the Solano County Water Agency, public agencies formed under the laws of the State of California;

(2) having a governing board in which a majority of the members are representatives of those local entities holding contracts for water from the Solano Project on the date of enactment of this title; and

(3) approved by both the Solano Water Authority and the Solano County Water Agency.

(q) "Yolo County Entities" means a group consisting of authorized representatives of the county of Yolo, the Yolo County Flood Control and Water Conservation District, the city of Davis, the city of Winters, the University of California at Davis, and the Putah Creek Council.

(r) "Uncontrolled Releases" means water bypassed or released at the Putah Diversion Dam which is not required to be released pursuant to section 2706(c) of this title, or to meet contract or state-law requirements.

SEC. 2704. TRANSFER OF THE SOLANO PROJECT WATER SUPPLY FACILITIES, OPERATIONS AGREEMENT AND PAYMENT.

(a) AGREEMENT.—The Secretary shall, as soon as practicable after the date of enactment of this title, enter into an agreement with the Water Users for the implementation of section 2705(b) of this title.

(b) The Secretary shall, upon execution of the agreement described in section 2704(a) of this title and payment of the sum calculated in accordance with section 2704(c) of this title, and subject to the provisions of sections 2706(a) and 2707(a) of this title, transfer to the Water Users all right, title and interest in and to the water supply facilities of the Solano Project described in section 2703(o).

(c) PRICE.—The price paid by the Water Users for the water supply facilities of the Solano Project shall be the amount which is the total of—

(1) the remaining indebtedness;

(2) the book value of the water supply facilities;

(3) any capital/O&M adjustment amount; and

(4) all administrative costs incurred by the United States in effectuating the agreement and the transfer, less

(5) the dam safety and construction defect adjustment: *Provided, however*, That in no event shall the sum determined in subparagraphs (1)–(5) of this subsection above be less than 66 per centum of the original reimbursable capital costs of the water supply facilities of the Solano Project which are to be transferred.

SEC. 2705. RESPONSIBILITIES OF THE WATER USERS.

(a) Upon transfer of the water supply facilities, the Water Users shall, except as provided in this title: (1) assume all liability for administration, operation, and maintenance of said facilities and continue to provide for the operation thereof for the authorized Solano Project purposes including (but not limited to) all water supply contracts heretofore entered into by the Secretary; (2) protect Putah Creek fisheries, wildlife, riparian habitat, ground water recharge, and downstream diversion rights, including adhering to minimum water release schedules for Putah Creek downstream of Monticello Dam and Putah Diversion Dam in conformance with all applicable decision and orders of the State of California Water Resources Control Board and courts of competent jurisdiction and all applicable State laws; and (3) continue to provide the incidental flood control benefits currently enjoyed by downstream property owners on Putah Creek.

(b) The Water Users shall cooperate with the United States and the Lower Putah Creek Coordinating Committee to implement the supplemental releases for Putah Creek enhancement purposes mandated by section 2704. Such cooperation may include releasing Solano Project water from Monticello Dam and past the Putah Diversion Dam into Lower Putah Creek in exchange for water provided by the Secretary from other sources: *Provided*, That the Secretary shall pay the Water Users any actual costs that they may incur as a result of such exchange, less any savings that result from such exchange.

SEC. 2706. RESPONSIBILITIES OF THE UNITED STATES.

(a) PRETRANSFER CONFIRMATION.—The Secretary may not transfer title to the water supply facilities of the Solano Project unless the Secretary confirms that all of the Solano Project member units have executed an agreement addressing their respective contractual entitlements. These member units are the city of Fairfield, Maine Prairie Water District, Solano Irrigation District, city of Suisun City, city of Vacaville, city of Vallejo, California Medical Facility, and University of California, Davis.

(b) RECREATION.—(1) The Secretary shall be responsible for, and retain full title to and jurisdiction and control over the surface of Lake Berryessa and Federal lands underlying and surrounding the Lake, and shall retain full title to all Lake Berryessa recreational facilities, exclusive of those properly constructed by concessionaires under applicable contracts; concessionaire contracts, interests in real property associated therewith; and similar associated rights and obligations. The Secretary shall consult with the State of California and local governments in Napa County, California, prior to implementing any change in operating procedures for such lands. The Secretary is authorized to enter into contracts or other agreements with Napa County, California, regarding land use controls, law enforcement, water supply, wastewater treatment, and other matters of

concern within the boundaries of lands surrounding Lake Berryessa that were originally included in the lands acquired from the Solano Project.

(2) The Secretary, acting through the Bureau of Reclamation, is authorized to obtain water from Lake Berryessa consistent with its existing State water rights permit for recreational or other resource management purposes at Lake Berryessa, including that required for concession operation, in the manner, amounts, and at times as may be determined by the Bureau of Reclamation.

(3) The Secretary, acting through the Bureau of Reclamation, is authorized to make available, subject to appropriation, funds collected from recreation entrance and user fees, to local and/or State law enforcement agencies to enforce rules and regulations as are necessary for regulating the use of all project lands and waters associated with Lake Berryessa, and to protect the health, safety, and enjoyment of the public, and ensure the protection of project facilities and natural resources.

(4) The Secretary is hereby authorized to enter into joint future projects with Lake Berryessa concessionaires to develop, operate, and maintain such short-term recreational facilities as he deems necessary for the safety, health, protection, and outdoor recreational use by the visiting public, and, to amend existing concession agreements, including extending terms as necessary for amortization of concessionaire investments, to accommodate such joint future projects.

(5) The Secretary is authorized to assist, or enter into agreements with the State of California, or political subdivision thereof, or a non-Federal agency or agencies or organizations as appropriate, for the planning, development and construction of water and wastewater treatment systems, which would result in the protection and improvement of the waters of Lake Berryessa.

(6) Funds collected from recreation entrance and user fees may be made available, subject to appropriation, for the operation, management and development of recreational and resource needs at Lake Berryessa.

(7) No activities upon the recreational interests hereby reserved to the United States shall, as determined by the Secretary after consultation with the Water Users, burden the Water Users' use of the water supply facilities of the Solano Project, reduce storage capacity or yield of Lake Berryessa, or degrade the Solano Project's water quality, except that, as described in subsection (b)(2) of this section, water will be made available for recreational and resource management purposes: *And provided further*, That this subsection will not apply to the particular Lake Berryessa recreational uses and operating procedures in existence on the date of the enactment of this legislation.

(8) Notwithstanding any provision in subsection (b) of this section, before the Secretary takes any action authorized by this subsection, including but not limited to the selection and/or approval of the Reservoir Area Management Plan (RAMP) for Lake Berryessa and surrounding lands, the Secretary shall consult with the County of Napa and determine that the proposed action is consistent with the Napa County General Plan, as amended.

(c) PUTAH CREEK ENHANCEMENT.—(1) The Secretary is authorized and directed to participate in a program to enhance the instream, riparian and environmental values of Putah Creek. Such program shall be at full Federal cost, shall cause no reduction in Solano Project supplies, and shall include but need not be limited to the following—

(A) the Secretary shall consult with the Lower Putah Creek Coordinating Committee and the Water Users and take appropriate actions to implement the recommendations contained in the United States Fish and Wildlife Service's Putah Creek Resource Management Plan;

(B) in order to enhance flows in Putah Creek which are prescribed by the California State Water Resources Control Board or courts of competent jurisdiction, arrangements as are necessary shall be made to provide at no net cost to any other party 3,000 acre-feet of supplemental water supply for releases into Putah Creek during "normal years," and 6,000 acre-feet of supplemental water supply for releases into Putah Creek during "dry years." "Normal years" are water years in which the total inflow into Lake Berryessa is greater than or equal to 150,000 acre-feet. "Dry years" are water years in which the total inflow into Lake Berryessa is less than 150,000 acre-feet. For the purposes of this paragraph, "water year" means each twelve month period beginning on October 1 and ending on the next September 30. These amounts to be released shall be in addition to any uncontrolled releases. The schedule for said supplemental releases shall be developed by the Secretary after consultation with the Lower Putah Creek Coordinating Committee. The Secretary is hereby authorized to enter into such agreements as may be necessary to effectuate this subsection;

(C) for purposes of more efficiently conveying and distributing the Lower Putah Creek such supplemental supplies and any additional amounts that the California State Water Resources Control Board or courts of competent jurisdiction may deem appropriate, the Secretary is authorized to construct water conveyance and distribution facilities at a cost of approximately $3,000,000; and

(D) to compensate for the cost associated with the 1991–1992 interim water releases, as defined in subsection 3(f), the Secretary is authorized and directed to supply to the Water Users and/or Yolo County Entities, or any member entities thereof providing the interim water releases, water in an amount equal to those interim water releases actually made or, in the alternative, to reimburse the parties making such releases for all costs associated with such releases.

(2) There are hereby authorized to be appropriated such sums as may be necessary to implement subsections (B), (C), and (D) of this section.

SEC. 2707. PAYMENT.

(a) PAYMENT.—The Secretary shall transfer all right, title, and interest in and to the water supply facilities of the Solano Project to the Water Users after the Secretary has received notification that the Water Users have made the payment specified in section 2704(b).

(b) DISPOSITION OF PAYMENT.—(1) All proceeds from the transfer of the Solano Project will be dedicated to environmental purposes. Eighty percent of the price paid for the water supply facilities of the Solano project as specified in section 4(c) shall be deposited in a separate account by the Secretary. Interest from such account shall be utilized by the Secretary for matching grants with nonprofit organizations and institutions in California for fish and wildlife conservation. The remaining 20 percent paid for the water supply facilities shall be expended by the Secretary for the purpose of protecting and enhancing Lower Putah Creek, and may include expenditures for the purposes of acquiring property, including water rights, making improvements to property, and conducting studies and wildlife management activities. The portion of sale proceeds designated for Lower Putah Creek protection and enhancement shall thereafter be maintained by the Secretary in a separate account. Monies and interest from such account may be expended by the Secretary for the sole purpose of funding projects designed for Lower Putah Creek protection and enhancement purposes, including the payment of direct costs associated with meeting with Secretary's responsibilities under section 2706(c)(1)(B) of this title, in accordance with criteria developed by the Secretary in consultation with the Lower Putah Creek coordinating committee.

(2) All funds under this section shall be available only to the extent provided in an annual appropriation for such purposes.

SEC. 2708. VESTED RIGHTS AND STATE LAWS UNAFFECTED.

Nothing in this title shall—

(a) be construed as affecting or intending to affect or to interfere in any way with the State laws relating to the control, appropriation, use, or distribution of water used for the Solano Project, or any vested right acquired thereunder; and

(b) in any way affect or interfere with State laws relating to the protection of fish and wildlife or instream flow requirements, or any right of the State of California or any landowner, appropriator, or user of surface water or ground water in, to, from or connected with Putah Creek or its tributaries.

TITLE XXVIII—DESALINATION

SEC. 2801. TECHNICAL ASSISTANCE.

The Secretary is authorized to provide technical assistance to States and to local government entities to assist in the development, construction, and operation of water desalination projects, including technical assistance for purposes of assessing the technical and economic feasibility of such projects.

TITLE XXIX—SAN JUAN SUBURBAN WATER DISTRICT

SEC. 2901. REPAYMENT OF WATER PUMPS, SAN JUAN SUBURBAN WATER DISTRICT, CENTRAL VALLEY PROJECT, CALIFORNIA.

(a) WATER PUMP REPAYMENT.—The Secretary shall credit to the unpaid capital obligation of the San Juan Suburban Water District (District), as calculated in accordance with the Central Valley Project ratesetting policy, an amount equal to the documented price paid by the District for pumps provided by the District to the Bureau of Reclamation, in 1991, for installation at Folsom Dam, Central Valley Project, California.

(b) CONDITIONS.—(1) The amount credited shall not include any indirect or overhead costs associated with the acquisition of the pumps, such as those associated with the negotiation of a sales price or procurement contract, inspection, and delivery of the pumps from the seller to the Bureau of Reclamation.

(2) The credit is effective on the date the pumps were delivered to the Bureau of Reclamation for installation at Folsom Dam.

TITLE XXX—TRINITY RIVER DIVISION, CENTRAL VALLEY PROJECT

SEC. 3001. INSTREAM RELEASES FROM THE TRINITY RIVER DIVISION, CENTRAL VALLEY PROJECT, FOR FISHERY RESTORATION AND FULFILLMENT OF FEDERAL TRUST RESPONSIBILITIES.

(a) INSTREAM RELEASES.—In order to meet Federal trust responsibilities to protect the

fishery resources of the Hoopa Valley Tribe, and to achieve the fishery restoration goals of the Act of October 24, 1984 (98 Stat. 2721, Public Law 98-541), for water years 1992 through 1996, the Secretary of the Interior, through the Trinity River Division of the Central Valley Project, shall provide an instream release of water to the Trinity River for the purposes of fishery restoration, propagation, and maintenance of not less than 340,000 acre-feet per year. For any water year during this period for which the forecasted inflow to the Central Valley Project's Shasta Reservoir equals or exceeds 3,200,000 acre-feet, based on hydrologic conditions as of June 1 and an exceedance factor of 50 percent, the Secretary shall provide an additional instream fishery release to the Trinity River of not less than 10 percent of the amount by which forecasted Shasta Reservoir inflow for that year exceeds 3,200,000 acre-feet.

(b) COMPLETION OF STUDY.—By September 30, 1996, the Secretary, with the full participation of the Hoopa Valley Tribe, shall complete the Trinity River Flow Evaluation Study currently being conducted by the United States Fish and Wildlife Service under the mandate of the Secretarial Decision of January 14, 1981, in a manner which insures the development of recommendations, based on the best available scientific data, regarding permanent instream fishery flow requirements and Trinity River Division operating criteria and procedures for the restoration and maintenance of the Trinity River fishery.

(c) STUDY RECOMMENDATIONS.—Not later than December 31, 1996, the Secretary shall forward the recommendations of the Trinity River Flow Evaluation Study, referred to in subsection (b) of this section, to the Committee on Interior and Insular Affairs of the House of Representatives and to the Committee on Energy and Natural Resources and the Select Committee on Indian Affairs of the Senate. If the Secretary and the Hoopa Valley Tribe concur in these recommendations, any increase to the minimum Trinity River instream fishery releases established in subsection (a) and the operating criteria and procedures referred to in subsection (b) shall be implemented accordingly. If the Hoopa Valley Tribe and the Secretary do not concur, the minimum Trinity River instream fishery releases established in subsection (a) shall remain in effect unless increased by an Act of Congress, appropriate judicial decree, or agreement between the Secretary and the Hoopa Valley Tribe.

TITLE XXXI—BUY AMERICAN PROVISIONS

SEC. 3101. BUY AMERICAN PROVISIONS.

(a) The Secretary shall insure that the requirements of the Buy American Act of 1933, as amended, apply to all procurements made under this Act.

(b) DETERMINATION BY THE SECRETARY.—(1) If the Secretary, after consultation with the United States Trade Representative, determines that a foreign country which is party to an agreement described in paragraph (2) has violated the terms of the agreement by discriminating against certain types of products produced in the United States that are covered by the agreement, the Secretary shall rescind the waiver of the Buy American Act with respect to such types of products produced in that foreign country.

(2) An agreement referred to in paragraph (1) is any agreement between the United States and a foreign country pursuant to which the head of an agency of the United States Government has waived the requirements of the Buy American Act with respect to certain products produced in the foreign country.

(3) REPORT TO CONGRESS.—The Secretary shall submit to Congress a report on the amount of purchases from foreign entities under this Act from foreign entities in fiscal years 1992 and 1993. Such report shall separately indicate the dollar value of items for which the Buy American Act was waived pursuant to any agreement described in subsection (a)(2), the Trade Agreement Act of 1979 (19 U.S.C. 2501 et. seq.), or any international agreement to which the United States is a party.

(4) BUY AMERICAN ACT DEFINED.—For purposes of this section, the term "Buy American Act" means the title III of the Act entitled "An Act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes", approved March 3, 1933 (41 U.S.C. 10a et seq.).

(c) RESTRICTIONS ON CONTRACT AWARDS.—No contract or subcontract made with funds authorized under this title may be awarded for the procurement of an article, material, or supply produced or manufactured in a foreign country whose government unfairly maintains in government procurement a significant and persistent pattern or practice of discrimination against United States products or services which results in identifiable harm to United States businesses, as identified by the President pursuant to (g)(1)(A) of section 305 of the Trade Agreements Act of 1979 (19 U.S.C. 2515(g)(1)(a)). Any such determination shall be made in accordance with section 305.

(d) PROHIBITION AGAINST FRAUDULENT USE OF "MADE IN AMERICA" LABELS.—If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a "Made in America" inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, that person shall be ineligible to receive any contract or subcontract made with funds authorized under this title pursuant to the debarment, suspension, and ineligibility procedures in subpart 9.4 of chapter 1 of title 48, Code of Federal Regulations.

TITLE XXXII—LIMITATION ON AUTHORIZATIONS OF APPROPRIATIONS

SEC. 3201. LIMITATION.

Notwithstanding any other provision of law, amounts expended, or otherwise made available, pursuant to this Act when aggregated with all other amounts expended, or otherwise made available, for projects of the Bureau of Reclamation for fiscal year 1992 may not exceed 102.4 percent of the total amounts expended, or otherwise made available, for projects of the Bureau of Reclamation in fiscal year 1991.

TITLE XXXIII—ELEPHANT BUTTE IRRIGATION DISTRICT

SEC. 3301. TRANSFERS.

The Secretary of the Interior is authorized to transfer to the Elephant Butte Irrigation District, New Mexico, and El Paso County Water Improvement District No. 1, Texas, without cost to the respective district, title to such easements, ditches, laterals, canals, drains, and other rights-of-way, which the United States has acquired on behalf of the project, that are used solely for the purpose of serving the respective district's lands and which the Secretary determines are necessary to enable the respective district to carry out operation and maintenance with respect to that portion of the Rio Grande Project to be transferred. The transfer of the title to such easements, ditches, laterals, canals, drains, and other rights-of-way located in New Mexico, which the Secretary has, that are used for the purpose of jointly serving Elephant Butte Irrigation District and El Paso County Water Improvement District No. 1, may be transferred to Elephant Butte Irrigation District and El Paso County Water Improvement District No. 1, jointly, upon agreement by the Secretary and both districts. Any transfer under this section shall be subject to the condition that the respective district assumes the responsibility for operating and maintaining their portion of the project. Title to, and management and operation of, the reservoirs and the works necessary for their protection and operation shall remain in the United States until otherwise provided by an Act of Congress.

TITLE XXXIV—RECLAMATION STATES EMERGENCY DROUGHT RELIEF

SEC. 3401. SHORT TITLE.

This title may be cited as the "Reclamation States Emergency Drought Relief Act of 1991".

SEC. 3402. DEFINITIONS.

As used in this title:

(1) The term "Secretary" means the Secretary of the Interior.

(2) The term "Federal Reclamation laws" means the Act of June 17, 1902 (32 Stat. 388) and Acts supplementary thereto and amendatory thereof.

(3) The term "Federal Reclamation project" means any project constructed or funded under Federal Reclamation law. Such term includes projects having approved loans under the Small Reclamation Project Act of 1956 (70 Stat. 1044).

Subtitle A—Temporary Drought Program

SEC. 3411. ASSISTANCE DURING DROUGHT; WATER PURCHASES.

(a) CONSTRUCTION, MANAGEMENT, AND CONSERVATION.—Consistent with existing contractual arrangements and State law, and without further authorization, the Secretary is authorized to undertake construction, management, and conservation activities that will mitigate, or can be expected to have an effect in mitigating, losses and damages resulting from drought conditions. Any construction activities undertaken pursuant to the authority of this subsection shall be limited to temporary facilities designed to mitigate losses and damages from drought conditions and shall be completed no later than one year after the date of enactment of this title, except that wells drilled to mitigate losses and damages from drought conditions may be permanent facilities.

(b) ASSISTANCE TO WILLING BUYERS AND SELLERS.—In order to minimize losses and damages resulting from drought conditions, the Secretary may assist willing buyers in their purchase of available water supplies from willing sellers.

(c) WATER PURCHASES BY BUREAU.—In order to minimize losses and damages resulting from drought conditions, the Secretary may purchase water from willing sellers, including water made available by Federal Reclamation project contractors through conservation or other means with respect to which the seller has reduced the consumption of water. The Secretary shall deliver such water pursuant to temporary contracts under section 3412.

(d) WATER BANKS.—The Secretary is authorized to participate in water banks established by a State in an affected drought area, to respond to a drought.

SEC. 3412. AVAILABILITY OF WATER ON A TEMPORARY BASIS.

(a) GENERAL AUTHORITY.—In order to mitigate losses and damages resulting from

drought conditions, the Secretary may make available, by temporary contract, project and nonproject water, and may permit the use of facilities at Federal Reclamation projects for the storage or conveyance of project or non-project water, for use both within and outside an authorized project service area.

(b) SPECIAL PROVISIONS APPLICABLE TO TEMPORARY WATER SUPPLIES PROVIDED UNDER THIS SECTION.—

(1) TEMPORARY SUPPLIES.—Each temporary contract for the supply of water entered into pursuant to this section shall terminate no later than one year after the date of enactment of this title, or the termination of the temporary drought program described in section 3415, whichever comes first.

(2) OWNERSHIP AND ACREAGE LIMITATIONS.—Lands not subject to Reclamation law that receive temporary irrigation water supplies under temporary contracts under this section shall not become subject to the ownership and acreage limitations or pricing provisions of Federal Reclamation law because of the delivery of such temporary water supplies. Lands that are subject to the ownership and acreage limitations of Federal Reclamation law shall not be exempted from those limitations because of the delivery of such temporary water supplies.

(3) TREATMENT UNDER RECLAMATION REFORM ACT OF 1982.—No temporary contract entered into by the Secretary under this section shall be treated as a "contract" as that term is used in sections 203(a) and 220 of the Reclamation Reform Act of 1982 (Public Law 97-293).

(4) AMENDMENTS OF EXISTING CONTRACTS.—Any amendment to an existing contract to allow a contractor to carry out the provisions of this section shall be a temporary amendment only, not to exceed one year from the date of enactment of this title, or the termination of the temporary drought program described in section 3415, whichever comes first. No such amendment shall be considered a new and supplemental benefit for purposes of the Reclamation Reform Act of 1982 (Public Law 97-293).

(c) CONTRACT PRICE.—The price for water delivered under a temporary contract entered into by the Secretary under this section shall be at least sufficient to recover all Federal operation and maintenance costs and administrative costs, and an appropriate share of capital costs, including interest on project irrigation and municipal and industrial water, except that, for project water delivered to nonproject landholdings in excess of 960 acres, the price shall be full cost (as defined in section 202(3) of the Reclamation Reform Act of 1982 (Public Law 97-293; 96 Stat. 1263; 43 U.S.C. 390bb)). For all contracts entered into by the Secretary under the authority of this title, the interest rate used for computing interest during construction and interest on the unpaid balance of the capital costs shall be at a rate to be determined by the Secretary of the Treasury based on average market yields on outstanding marketable obligations of the United States with remaining periods to maturity of one year occurring during the last month of the fiscal year preceding the date of execution of the temporary contract.

(d) FISH AND WILDLIFE.—The Secretary may make water from Federal Reclamation projects and nonproject water available on a nonreimbursable basis for the purposes of protecting or restoring fish and wildlife resources, including mitigation losses, that occur as a result of drought conditions. The Secretary may store and convey project and non-project water for fish and wildlife purposes, and may provide conveyance of any such water for both State and Federal wildlife refuges and for habitat held in private ownership. The Secretary may make available water for these purposes outside the authorized project service area. Use of the Federal storage and conveyance facilities for these purposes shall be on a nonreimbursable basis.

(e) NONPROJECT WATER.—The Secretary is authorized to store and convey nonproject water utilizing Federal Reclamation project facilities for use outside and inside the authorized project service area for municipal and industrial uses, fish and wildlife, and agricultural uses. Except in the case of water supplied for fish and wildlife, which shall be nonreimbursable, the Secretary shall charge the recipients of such water for such use of Federal Reclamation project facilities at a rate established pursuant to section 3412(c) of this title.

SEC. 3413. SALT WATER INTRUSION.

As necessary to protect and improve water quality and to protect fishery resources in the Sacramento-San Joaquin Delta, California, the Secretary is authorized to construct such temporary barriers, and to take other cooperative actions with the State of California, as may be necessary to prevent salt water intrusion in the Delta.

SEC. 3414. EXEMPTIONS AND PRIORITIES.

(a) ENVIRONMENTAL REPORT.—Concurrent with implementation of drought-related activities or projects authorized pursuant to this title, the Secretary shall assess and evaluate the environmental impacts of such activities and projects and take into consideration any adverse effect an action or actions proposed to be taken pursuant to this title may have on existing lawful uses of water and on fish and wildlife resources or other instream beneficial uses. The Secretary shall provide Congress with an interim assessment of the environmental impacts no later than six months after the date of enactment of this title. The Secretary shall provide Congress with a final report on such impacts at the conclusion of the temporary drought program. The final report shall include the Secretary's recommendations for avoiding or mitigating any adverse environmental impacts in response to future droughts.

(b) FEDERAL PAPERWORK REDUCTION ACT.—Actions taken pursuant to this title are in response to the temporary drought program and shall be undertaken without undue delay and therefore shall not be subject to the requirements or conditions of sections 3504 and 3507 of title 44, United States Code.

SEC. 3415. APPLICABLE PERIOD OF TEMPORARY DROUGHT PROGRAM.

(a) IN GENERAL.—The programs and authorities established under this title shall become operative in any Reclamation State only after the Governor or Governors of the affected State or States has made a request for temporary drought assistance and the Secretary has determined that such assistance is merited. The temporary drought authorities authorized by this title shall expire one year after the date of enactment of this title, or upon a determination by the Secretary, in consultation with the Governor or Governors of the affected State or States, that such authorities are no longer required, whichever comes first.

(b) COORDINATION WITH BPA.—If a Governor referred to in subsection (a) is the Governor of the State of Washington, Oregon, Idaho, or Montana, the Governor shall coordinate with the Administrator of the Bonneville Power Administration before making a request under subsection (a).

Subtitle B—Permanent Drought Authority

SEC. 3421. IDENTIFICATION OF OPPORTUNITIES FOR WATER SUPPLY CONSERVATION, AUGMENTATION AND USE.

The Secretary is authorized to conduct studies to identify opportunities to conserve, augment, and make more efficient use of water supplies available to Federal Reclamation projects and Indian water resource developments in order to be prepared for and better respond to drought conditions. The Secretary is authorized to provide technical assistance to States and to local government entities to assist in the development, construction, and operation of water desalinization projects, including technical assistance for purposes of assessing the technical and economic feasibility of such projects.

SEC. 3422. DROUGHT CONTINGENCY PLANS.

The Secretary, acting pursuant to the Federal Reclamation laws, utilizing the resources of the Department of the Interior, and in consultation with other appropriate Federal and State officials, Indian tribes, public, private, and local entities, is authorized to prepare cooperative drought contingency plans (hereinafter in this title referred to as "contingency plans") for the prevention or mitigation of adverse effects of drought conditions.

SEC. 3423. PLAN ELEMENTS.

(a) PLAN PROVISIONS.—Elements of the contingency plans prepared pursuant to section 3422 may include any or all of the following:

(1) One or more water banks whereby the Secretary and project and nonproject water users may buy, sell, and store water consistent with State law, including participation by the Secretary in water banks established by the State.

(2) Appropriate water conservation actions.

(3) Water transfers to serve users inside or outside authorized Federal Reclamation project service areas for such purposes as the Secretary deems appropriate and which are consistent with Federal and State law.

(4) Use of Federal Reclamation project facilities to store and convey nonproject water for municipal and industrial, fish and wildlife, or other uses both inside and outside an authorized Federal Reclamation project service area.

(5) Use of water from dead or inactive reservoir storage or increased use of ground water resources for temporary water supplies.

(6) Temporary and permanent water supplies for fish and wildlife resources.

(7) Minor structural actions.

(b) FEDERAL RECLAMATION PROJECTS.—Each contingency plan shall identify the following two types of plan elements related to Federal Reclamation projects:

(1) those plan elements which pertain exclusively to the responsibilities and obligations of the Secretary pursuant to Federal Reclamation law and the responsibilities and obligations of the Secretary for a specific Federal Reclamation project; and

(2) those plan elements that pertain to projects, purposes, or activities not constructed, financed, or otherwise governed by the Federal Reclamation law.

(c) DROUGHT LEVELS.—Each contingency plan shall define levels of drought wherein specific elements of the contingency plan may be implemented. The Secretary is authorized to work with other Federal and State agencies to improve hydrologic data collection systems and water supply forecasting techniques to provide more accurate and timely warning of potential drought con-

ditions and drought levels that would trigger the implementation of contingency plans.

(d) COMPLIANCE WITH LAW.—The contingency plans and plan elements shall comply with all requirements of applicable Federal law, including the National Environmental Policy Act of 1969 (42 U.S.C. 4321), section 715(a) of the Water Resource Development Act of 1986 (33 U.S.C. 2265(a)), and the Fish and Wildlife Coordination Act, and shall also be in accordance with applicable State law.

(e) REVIEW.—The contingency plans shall include provisions for periodic review to assure the adequacy of the contingency plan to respond to current conditions, and such plans may be modified accordingly.

SEC. 3424. RECOMMENDATIONS.

(a) APPROVAL.—The Secretary shall submit each plan prepared pursuant to section 3422 to the Congress, together with the Secretary's recommendations, including recommendations for authorizing legislation. No approval of the contingency plan by either the Secretary or the Commissioner of Reclamation shall become effective until the expiration of 60 calendar days (which 60 days, however, shall not include days on which either the House of Representatives or the Senate is not in session because of an adjournment of more than three days to a date certain) after the submissions of the plan to the Committee on Energy and Natural Resources of the Senate and the Committee on Interior and Insular Affairs of the House of Representatives; except that, any such approval may become effective prior to the expiration of the 60 calendar days in any case in which each such committee approves an earlier date and notifies the Secretary in writing of such approval: *Provided*, That when the Congress is not in session, the Secretary's approval, if accompanied by a finding by the Secretary that substantial hardship to water users or the environment will result, shall become effective when the chairman and the ranking minority member of each such committee shall file with the Secretary their written approval of said findings.

(b) PACIFIC NORTHWEST REGION.—A contingency plan under subsection (a) for the State of Washington, Oregon, Idaho, or Montana, may be approved by the Secretary only at the request of the Governor of the affected State in coordination with the other States in the region and the Administrator of the Bonneville Power Administration.

SEC. 3425. RECLAMATION DROUGHT RESPONSE FUND.

The Secretary shall undertake a study of the need, if any, to establish a Reclamation Drought Response Fund to be available for defraying those expenses which the Secretary determines necessary to implement plans prepared under section 3422 and to make loans for nonstructural and minor structural activities for the prevention or mitigation of the adverse effects of drought.

SEC. 3426. TECHNICAL ASSISTANCE AND TRANSFER OF PRECIPITATION MANAGEMENT TECHNOLOGY.

(a) TECHNICAL ASSISTANCE.—The Secretary is authorized to provide technical assistance for drought contingency planning in any of the States not identified in section 1 of the Reclamation Act (Act of June 17, 1902, 32 Stat. 388), and the District of Columbia, Puerto Rico, the Republic of the Marshall Islands, the Federated States of Micronesia, the Trust Territory of the Pacific Islands, and upon termination of the Trusteeship, the Republic of Palau, the United States Virgin Islands, American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands. Funds for drought contingency planning activities under this subsection shall be advanced to the Secretary.

(b) TECHNOLOGY TRANSFER PROGRAM.—The Secretary is authorized to conduct a Precipitation Management Technology Transfer Program to help alleviate problems caused by precipitation variability and droughts in the West, as part of a balanced long-term water resources development and management program. In consultation with State and local water, hydropower, water quality and instream flow interests, areas shall be selected for conducting cost-shared field studies to validate and quantify the potential for appropriate precipitation management technology to augment stream flows. Validated technologies shall be transferred to non-Federal interests for operational implementation.

Subtitle C—General and Miscellaneous Provisions

SEC. 3431. AUTHORIZATION OF APPROPRIATIONS.

Except as otherwise provided in section 3434 of this title (relating to temperature control devices at Shasta Dam, California), there is authorized to be appropriated not more than $30,000,000.

SEC. 3432. AUTHORITY OF SECRETARY.

The Secretary is authorized to perform any and all acts and to promulgate such regulations as may be necessary and appropriate for the purpose of implementing this title.

SEC. 3433. EFFECT OF TITLE ON OTHER LAWS.

Nothing in this title shall be construed as limiting or restricting the power and authority of the United States or—

(1) as expanding or diminishing Federal, tribal, or State jurisdiction, responsibility, interests, or rights in water resources development or control;

(2) as displacing, superseding, limiting, or modifying any interstate compact or the jurisdiction or responsibility of any legally established joint or common agency of two or more States or of two States and the Federal Government;

(3) as superseding, modifying, or repealing, except as specifically set forth in this title, existing laws applicable to the various Federal agencies;

(4) as affecting in any way any law governing appropriation or use of, or Federal right to, water on Federal lands, or the right of any Indian tribe to use its water for whatever purposes it deems appropriate, including fish and wildlife purposes, or the right of a tribe to buy or sell water, or to affect any right enjoyed under license, lease, or other authorization from an Indian tribe;

(5) as affecting the water rights of any Indian tribe or tribal licensee, permittee, or lessee, or diminishing the Indian trust responsibility of the United States;

(6) as affecting in any way the applicability of the National Environmental Policy Act, except as specifically set forth in this title, the Endangered Species Act, section 715(a) of the Water Resource Development Act of 1986 (33 U.S.C. 2265(a)), or the Fish and Wildlife Coordination Act, or as otherwise superseding, modifying, or repealing, except as specifically set forth in this title, existing law applicable to the various Federal agencies;

(7) as modifying the terms of any interstate compact, or Congressional apportionment of water; or

(8) as affecting water rights of any person recognized under State law.

SEC. 3434. TEMPERATURE CONTROL AT SHASTA DAM, CENTRAL VALLEY PROJECT.

The Secretary is authorized for fiscal year 1992 to commence design and construction of facilities needed to attach to Shasta Dam, Central Valley Project, California, devices for the control of the temperature of water releases from the dam. There is authorized to be appropriated to carry out the authority of this section, not more than $12,000,000.

SEC. 3435. CONSISTENCY WITH STATE LAW.

All provisions in this title pertaining to the diversion, storage, use, or transfer of water shall be consistent with State law.

SEC. 3436. EXCESS STORAGE AND CARRYING CAPACITY.

The Secretary is authorized to enter into contracts with municipalities, public water districts and agencies, other Federal agencies, State agencies, and private entities, pursuant to the Act of February 21, 1911 (43 U.S.C. 523), for the impounding, storage, and carriage of water for domestic, municipal, fish and wildlife, industrial, and other beneficial purposes from any facilities associated with the Central Valley Project, Cachuma Project, and the Ventura River Project, California.

SEC. 3437. REPORT.

The Secretary shall submit an annual report to the President and the Congress on his expenditures and accomplishments under the title.

SEC. 3438. BUY-AMERICAN REQUIREMENT.

(a) DETERMINATION BY THE SECRETARY.—If the Secretary, with the concurrence of the United States Trade Representative and the Secretary of Commerce, determines that the public interest so desires, the Secretary shall award to a domestic firm a contract that, under the use of competitive procedures, would be awarded to a foreign firm, if—

(1) the final product of the domestic firm will be completely assembled in the United States;

(2) when completely assembled, not less than 51 percent of the final product of the domestic firm will be domestically produced; and

(3) the difference between the bids submitted by the foreign and domestic firms is not more than 6 percent.

In determining under this subsection whether the public interest so requires, the Secretary shall take into account United States international obligations and trade relations.

(b) LIMITED APPLICATION.—This section shall not apply to the extent to which—

(1) such applicability would not be in the public interest;

(2) compelling national security considerations require otherwise; or

(3) the United States Trade Representative determines that such an award would be in violation of the General Agreement on Tariffs and Trade or an international agreement to which the United States is a party.

(c) LIMITATION.—This section shall apply only to contracts for which—

(1) amounts are authorized by this title (including the amendments made by this title) to be made available; and

(2) solicitation for bids are issued after the date of the enactment of this title.

(d) REPORT TO CONGRESS.—The Secretary shall report to the Congress on contracts covered under this section and entered into with foreign entities for fiscal year 1991 and shall report to the Congress on the number of contracts that meet the requirements of subsection (a) but which are determined by the United States Trade Representative to be in violation of the General Agreement or an international agreement to which the United States is a party. The Secretary shall also report to the Congress on the number of contracts covered under this title (including

the amendments made by this title) and awarded based upon the parameters of this section.

(e) DEFINITIONS.—For purposes of this section:

(1) SECRETARY.—The term "Secretary" means the Secretary of the Department of the Interior.

(2) DOMESTIC FIRM.—The term "domestic firm" means a business entity that is incorporated in the United States and that conducts business operations in the United States.

(3) FOREIGN FIRM.—The term "foreign firm" means a business entity not described in paragraph (2).

TITLE XXXV—RESTRICTIONS ON WATER CONTRACTING, CENTRAL VALLEY PROJECT, CALIFORNIA

SEC. 3501. CONTRACTS.

In order to respond to urgent drought conditions in the State of California and notwithstanding section 9 of the Reclamation Project Act of 1939 (43 U.S.C. 485h), the Act of July 2, 1956 (43 U.S.C. 485h-1 et seq.), the Act of February 21, 1911 (43 U.S.C. 523), or any other provision of Federal reclamation law to the contrary, with respect to irrigation water from the Central Valley Project, California, the Secretary may not, unless otherwise specifically provided by law, enter into any water contracts the term of which exceeds 3 years.

SEC. 3502. DEFINITIONS.

For purposes of this title:—

(1) The term "reclamation laws" means the Act of June 17, 1902, and Acts supplementary thereto and amendatory thereof (43 U.S.C. 371).

(2) The term "water contracts" means any new contracts, or any renewal, extension, or amendment to existing water contracts that provide for the delivery of water or repayment of project construction costs.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California [Mr. MILLER] will be recognized for 20 minutes and the gentleman from Utah [Mr. HANSEN] will be recognized for 20 minutes.

PARLIAMENTARY INQUIRY

Mr. LEHMAN of California. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. LEHMAN of California. Mr. Speaker, I am opposed to the bill and would like to find out how it might be possible for me to get time on this side from what is allocated.

The SPEAKER pro tempore. Is the gentleman from Utah [Mr. HANSEN] opposed to the motion?

Mr. HANSEN. No, Mr. Speaker, I am not opposed to the motion, and I am not opposed to the bill.

The SPEAKER pro tempore. The gentleman from California [Mr. LEHMAN] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the motion I am offering this afternoon gives us one last opportunity to pass desperately needed water policy reform legislation during this session of Congress.

The drought in California and elsewhere in the West is now entering its sixth year. In response to this water crisis, the House passed H.R. 355, the Reclamation States Emergency Drought Relief Act, on March 21, 1991.

After a delay of nearly 7 months, the Senate has finally acted on H.R. 355, passing the bill on October 8.

The House also passed, on June 20, 1991, H.R. 429, the Reclamation Projects Authorization and Adjustment Act of 1991. H.R. 429 was approved by the House by a vote of 360 to 24. This bill contains many provisions of critical importance to States served by the Bureau of Reclamation's water development programs, in particular the States of Washington, California, Colorado, and Kansas.

The motion I have offered would agree to the Senate amendment with an amendment. My amendment would incorporate the text of the reclamation projects bill as passed by the House in June, the text of the drought bill, as passed by the House, as well as a restriction on water contracts in the Central Valley project, California. Minor technical amendments to portions of the reclamation projects have also been made with the concurrence of the minority.

RECLAMATION PROJECTS PROVISIONS

Titles I through XXXIII of the amendment are the text of the House-passed version of H.R. 429, the Reclamation Projects Authorization and Adjustment Act of 1991.

These titles increase cost ceilings to allow construction on certain important water resource development projects to be completed, including the central Utah project. In addition, they include the Grand Canyon Protection Act; several provisions to control water pollution and reduce salinity problems at Bureau of Reclamation projects; and several important water resource management and demonstration projects which can improve the efficiency of water use in the West.

These titles also include amendments to the Reclamation Reform Act of 1982. These amendments were recommended by the General Accounting Office in a 1989 report to the committee, and were passed by the House in essentially their present form nearly a year ago.

These titles also include three provisions to allow local water districts to take control of Bureau projects. For two of these projects, the Interior Secretary is authorized to transfer title to the local project beneficiaries, after receiving appropriate compensation.

Mr. Speaker, specific provisions of these titles are as follows:

Title I increases the authorization ceiling for the Buffalo Bill Dam and Reservoir, Shoshone project, Pick-Sloan Missouri Basin Program, Wyoming.

Title II through VI authorizes a comprehensive reformulation of the central Utah project. These titles will be discussed in detail by my colleagues from Utah.

Title VII authorizes the Interior Secretary to design, construct, and maintain a water treatment plant to treat mine drainage water from the Leadville mine drainage tunnel, Colorado.

The amendment would allow the Interior Secretary to construct the Lake Meredith salinity control project, New Mexico and Texas.

Title IX authorizes the reformulation of the Cedar Bluff Unit of the Pick-Sloan Missouri Basin Program, Kansas.

With regard to the Central Valley project, California, title X authorizes an extension of the Tehama-Colusa Canal service area, and authorizes the Interior Secretary to enter into a long-term contract for water service from New Melones Reservoir with the Tuolumne regional water district.

Title XI authorizes a research project for the development of an enhanced evaporation system for saline water treatment in the vicinity of the Salton Sea, CA.

The amendment provides the consent of Congress to an amendment to the Sabine River compact, Louisiana-Texas.

Title XIII designates the Salt-Gila Aqueduct of the central Arizona project as the Fannin-McFarland Aqueduct.

Title XIV extends the applicability of the Warren Act regarding the use of excess storage and carrying capacity in certain Bureau of Reclamation projects.

The amendment changes the Reclamation Project Act of 1939 to allow the Secretary to amend contracts to increase repayment if justified based on a new classification of irrigable lands.

Title XVI authorizes the Bureau of Reclamation to participate with the city of San Diego, CA, in the conduct of the San Diego waste water reclamation study.

Title XVII incorporates a series of recommendations made in 1989 by the General Accounting Office to tighten enforcement of the acreage limitation provisions of the Reclamation Reform Act of 1982.

Title XVIII of the bill is the Grand Canyon Protection Act. This title directs the Interior Secretary to implement new operating procedures for Glen Canyon Dam, and, if necessary, take other reasonable mitigation measures, to protect, mitigate adverse impacts to, and improve the condition of the resources of the Colorado River downstream from the dam.

The amendment would authorize appropriations of $100 million for design and construction of a rural water system to provide good quality drinking

water to more than 30,000 residents of central South Dakota.

The next title authorizes the Interior Secretary to participate with other Federal agencies, the State of South Dakota, and others in a comprehensive study of selenium contamination associated with drainage water from irrigation projects. Construction of the Lake Andes-Wagner project would not be authorized by this title.

Title XXI authorizes a study of the water and power resource needs of the insular areas.

Title XXII authorizes the transfer of a small parcel of public land, with improvements, to the Sunnyside Valley irrigation district, Washington.

The amendment authorizes the Interior Secretary to transfer operation, maintenance, and replacement responsibility for the Platoro Dam and Reservoir in Colorado to the local water conservancy district.

The next title authorizes the transfer of the Sly Park Unit of California's Central Valley project to the El Dorado irrigation district. Under this title, the Interior Secretary would be authorized to negotiate an appropriate sale price for the project.

The next title would limit the ability of individuals to receive both Federal reclamation water benefits and agricultural price support program benefits if an acreage reduction program is in effect for a commodity under the Agricultural Act of 1949 and if the Secretary of Agriculture determines that Commodity Credit Corporation [CCC] stocks exceed an amount necessary to provide for a reserve of such commodity that can reasonably be expected to meet a shortage of such commodity caused by drought, natural disaster, or other disruption in the supply of such commodity.

Title XXVI authorizes a $14 million increase in the appropriation ceiling for the High Plains States Ground Water Demonstration Program.

The next title authorizes the Secretary to transfer title to the Solano project, California, to local water users, and includes certain protections for Putah Creek.

Title XXVIII of the bill authorizes the Secretary to provide technical assistance to States and local governments for studies of desalinization projects.

Title XXIX authorizes the Interior Secretary to credit for repayment the San Juan Suburban Water District in California for the purchase of two water pumps that were acquired by the District on behalf of the Bureau of Reclamation.

The next title would impose specific instream flow releases from the Trinity Dam and Reservoir, California in order to meet Federal trust responsibilities to protect the fishery resources of the Hoopa Valley Tribe and to restore dwindling fish stocks in the Trinity River.

Title XXXI would impose certain buy America provisions on the Bureau of Reclamation.

The next title would impose a limitation on appropriations for the Bureau of Reclamation for fiscal year 1992.

Title XXXIII would authorize the Interior Secretary to dispose of selected surplus property at the Elephant Butte project, New Mexico.

Title XXXIV is the text of H.R. 355, as passed by the House. This title would authorize the Bureau of Reclamation to take various actions, on a temporary basis, to deal with severe drought conditions in the western States which receive water from Bureau projects. It also gives the agency permanent authority to prepare contingency plans and take other steps to prevent or mitigate the adverse effects of future drought conditions.

This title authorizes a total of $30 million for these activities. It also authorizes $12 million for design and partial construction of water temperature control facilities at California's Shasta Dam, in order to protect a valuable salmon fishery.

The title authorizes the Bureau of Reclamation to carry out construction, management, and conservation activities needed to mitigate losses and damages resulting from drought conditions in the so-called reclamation States, those served by Federal reclamation water projects. Construction projects may only be undertaken if they involve temporary facilities to be completed within 1 year of enactment, except that wells drilled to mitigate drought effects may be permanent facilities.

The title also gives the agency authority to help arrange water purchases between willing buyers and willing sellers, to make its own purchases from willing sellers, and to participate in water banks established by States to facilitate such sales.

The title permits them to enter into temporary contracts to make water available from its facilities or from other sources, and to provide for the use of its facilities to store or deliver water from any source. Under the temporary contracts, water could be delivered to users both within and outside a project's normal service area.

The title specifies that the price Reclamation charges for water under any temporary contract must be at least sufficient to recover Federal operation and maintenance costs, a share of project capital costs, and interest.

The bill authorizes Reclamation to prepare contingency plans to prevent or mitigate the adverse effects of future drought conditions in the reclamation States. The measure requires that the plans specify the drought conditions under which their individual elements would be implemented. Contingency plans would be submitted to Congress along with recommendations for authorizing legislation.

Finally, title XXXV of the bill would impose certain restrictions on water contracts in the Central Valley project, California.

RESTRICTIONS ON WATER CONTRACTS

The amendment adds a new title XXXV that restricts the ability of the Secretary of the Department of the Interior to renew, extend, or amend any water contract within the Central Valley Project, California, for more than 3 years.

Mr. Speaker, a restriction on the duration of contracts is a critical feature of this legislation.

Eight months ago, the House passed this drought assistance legislation. Our goal was to implement policies that would assist farmers, urban areas, and others in coping with the impacts of serious drought by removing barriers and altering policies that left us vulnerable and unable to respond.

In the intervening months, as we awaited action by the Senate, another major area of water policy related to water shortage and misallocation has emerged as a focus of attention.

The Federal Bureau of Reclamation signs a water contracts in California for a period of 40 years. In the past, these contracts have not even permitted the modification of price over that 40-year duration in order to account for inflation or other new costs to the Government.

As a result, it should not come as a major surprise that less than 10 percent of the Central Valley project has been paid for, although we are approaching the end of the first 40-year repayment period.

Let us remember one critical fact at the very beginning of this discussion:

This water does not belong to farmers. It does not belong to my constituents in Contra Costa County. We have contracts for publicly owned water with the Department of the Interior. No one has a god-given, or legal, or moral right to this water. It is the public's water, and it must be used in the broadest public interest.

Forty years ago, when Harry Truman was in the White House and Ronald Reagan was in Hollywood, when the total national debt was less than the debt we will accumulate just this year, Department of the Interior officials signed water contracts with some irrigation districts in California. California was less than one-third its current size. Areas that today consist of millions of suburban homes and businesses were pastures and orchards.

In those days, nearly a half century ago, these irrigation contracts made sense. They brought barren land into agricultural production. They helped build the State of California and its economy. Yes, they contained huge subsidies, but agriculture was a booming and dominant portion of the State's economy, and no one else needed the water anyway.

Today, as we enter the sixth year of a drought, with our State nearing 30 million people, the eighth largest economy in the world—today, none of those factors that justified massive, subsidized irrigation contracts is true any longer. California is very different; the United States and the world are very different. Agriculture is a minor portion of the State economy, and stagnant at that.

The Secretary of the Interior has declared his firm intention to extend each and every one of those water contracts—40 percent of all the water in California—for another 40 years when they expire.

Moreover, he claims that existing Federal law leaves him no alternative but to resign those contracts with the exact same beneficiaries for the same volume of water and for another 40 years.

The point of this drought bill is to remove institutional and legal barriers that prevent us from utilizing our water resources in the most efficient and cost effective manner. There is no more onerous or obstructive barrier to efficient water use in California than the 40-year contracts, combined with the Interior Department's declaration to extend expiring contracts for yet another 40 years.

And make no mistake: the Secretary puts responsibility for this mindless policy firmly on us in the Congress. Secretary Lujan has declared that existing law compels him to extend existing contracts, and he challenges Congress to modify the law if we wish to alter this misguided policy.

That is what this amendment will accomplish.

The urgency of contract reform has been driven home by a newly released General Accounting Office report prepared by the chairman of the Senate Subcommittee on Water and Power, Senator BILL BRADLEY, who has been leading the water reform effort in the other body for several years.

This report was issued several months after the House acted on H.R. 355, and for that reason, the contract restriction language we have in today's amendment was not included in the initial legislation.

However, it would be irresponsible for the House to act now on this legislation without incorporating the specific and emphatic recommendations of the GAO on this key issue.

GAO's conclusions were devastating:

Irrigation water provided through Bureau contracts has "degraded the area's water supply and soil, poisoning wildlife, and threatening agricultural productivity," including millions of dollars in wildlife and crop losses;

Some contractors use their subsidized water "To produce crops that are also eligible for subsidies through USDA's commodity program";

The Solicitor of the Department of the Interior—himself a former member of a law firm which had long represented many of these water contractors—ruled that Interior must extend all expiring contracts regardless of competitive demands or environmental impacts.

GAO unqualifiedly recommended that Congress take two actions without delay:

First, "place a moratorium on all CVP contract renewals while temporarily extending existing contracts";

Second, "amend the 1956 act to explicitly allow contract renewals for lesser quantities of water and shorter periods of time so the Bureau can periodically assess water use."

Those are the goals of the amendment we offer today: To follow the recommendations of the GAO and bring some semblance of planning and thoughtfulness to our water contracting and allocation.

GAO has stated in unequivocal terms, "without an analysis of all the impacts of contract renewal, the Bureau of Reclamation cannot make an informed decision on whether to renew contracts under existing terms."

Some may suggest that passage of this amendment will damage the agricultural economy of California.

This claim is totally inaccurate.

Our amendment anticipates a new contracting procedure that will allow for long-term CVP. contracts for a multiplicity of uses throughout California. Bankers and farmers will not be limited to 3-year contracts if irrigators and contract holders enter meaningful negotiations that produce a reformed contracting procedure. The process can be concluded in months, not years, and no one would ever have to live with a 3-year contract.

There are numerous efforts underway right now to reform the water allocation procedure. But just the other day, during negotiations on the Senate side, Federal water contractors yet again announced their unwillingness to conduct negotiations unless the sanctity of their right to renewals of their 40-year-old contracts are recognized.

We cannot have real reform or real negotiations if one party has all the water, all the contracts, and all the rights—and the ability to walk out of the room at any time.

Some would have you believe this is an extreme measure. It is not.

Contract reform is endorsed by virtually every major newspaper and by many of the business leaders throughout the State.

The Sacramento Bee, the largest newspaper in the agricultural valley, vigorously endorsed contracting reforms on September 29.

The Los Angeles Times, hardly a voice of radical water policy, editorialized on October 5 against "simply extending old water contracts—some of which were signed in 1949—as though nothing has changed in 40 years. * * * Congress should respond at once, not only for the sake of wildlife in the San Joaquin Valley but to help ensure the future of the entire State."

The San Diego Water Authority also agrees that contracting reform is urgently needed. This agency, the largest member of the southern California metropolitan water district, represents both farmers and urban residents. Its agricultural customers pay $400 an acre foot for their water, compared to $20 and less for Federal CVP customers.

Some would suggest that banks will not loan money to farmers who have only 3-year water contracts. Let's be clear on this point.

This language does not say, or anticipate, that we will only sign 3-year contracts in the future. It does create a level playing field for future water allocation negotiations. It ends the intolerable situation where one party—Federal irrigation contractors—smugly sit with long-term, highly subsidized water contracts and dictate the terms of discussions to over 20 million other individuals, tens of thousands of cities and businesses, and the environmental community. As I have noted, Federal irrigators snubbed every other water user during negotiations just last week; let's not tell them it is OK for them to do it again.

If irrigators respond wisely, there is no reason that we could not have a new contracting process before the Congress early next year. But if we do not have a modern procedure for allocating these public resources, we cannot, and we should not, merely revert to the allocation formula of the 1940's.

Mr. Speaker, I am also submitting for inclusion in the RECORD two editorials, as follows:

[From the Sacramento Bee, Sept. 29, 1991]

TIME TO RETHINK THE CVP?

The federal government's Central Valley Project is the largest water system in California. But the purposes it serves, primarily irrigation, were defined to meet the state's needs as they existed nearly 70 years ago. A recent report from Congress' General Accounting Office suggests that the time has come to begin re-examining some of those purposes and to consider whether the operations of the CVP can be updated to serve California's water needs as they continue to evolve into the next century.

Development of the CVP laid the foundation for the modern prosperity of the Central Valley and it continues to support some of the most productive agricultural enterprises on earth. But as the GAO report points out, the project is also responsible for severe drainage problems that threaten to pollute many of the region's land and water resources. The government's pricing policies heap taxpayer subsidies one on top of another. And other potential uses for that water, for wildlife as well as for California's growing cities, are often ignored.

The Department of the Interior nevertheless refused to consider any updating or change in those operations. In fact, the department maintains that it is obligated to renew its water contracts for another 40 years, without reducing by one drop the

amount of water it currently provides to its agricultural customers. Such intransigence only ensures that a public project that was intended to benefit rational water development in California will instead become an increasingly anachronistic obstacle to further progress.

The GAO proposes suspending all renewals of CVP water contracts until Congress rewrites the law to make it clear that the government has a duty to reassess how that water is being used. That means that future contracts may be for shorter periods and for smaller amounts of water than in the past. Alternatively, U.S. Sen. Bill Bradley has proposed legislation that would allow the current contractors to continue renewing forever, but would offer them various inducements to divert some of those supplies to other purposes. Both proposals are worth considering, but neither goes far enough toward fulfilling the role that the CVP could play in meeting the state's future water needs.

Putting some flexibility into the CVP's operations won't be an easy political fight if agribusiness continues to dig in its heels and oppose any change. But the alternatives, especially for agriculture, could be much worse. Trying to make the CVP into a truly modern system that can serve the cities as well as the farms, for example, makes a lot more sense than destroying the entire system of California water rights or crippling all of the state's existing water agencies, which is what the Metropolitan Water District of Southern California proposed in a water marketing bill this year.

The point is that there are alternatives available to solve California's water problems—if we are just willing to consider them.

[From the Los Angeles Times, Oct. 5, 1991]

UNDOING THE MISTAKES OF PAST

The Interior Department is blithely planning to put 20% of California's water out of reach to thirsty urban areas until 29 years into the next century, according to a recent report by the General Accounting Office.

The GAO recommends a moratorium on new contracts in the federal Central Valley Project, which supplies most of California's irrigation water, until Washington thinks more carefully about this policy. Does renewing old water contracts make sense in a time when California cities are rapidly growing and face a possible sixth year of drought? In our view it doesn't.

Federal rules already forbid sales of water to farms or cities that are outside the boundaries of the Central Valley, which means that surplus water can't be sold south of the Tehachapis.

Simply extending old water contracts—some of which were signed in 1949—as though nothing has changed in 40 years will also extend damage to vast areas of cropland. It would leave unchanged an intolerable situation in which wildlife habitat in the valley chronically lacks water.

Congress should respond at once, not only for the sake of wildlife in the San Joaquin Valley but to help ensure the future of the entire state.

Interior officials argue that a 1956 law gives them no choice in whether to renew contracts. They also read the law as saying the Interior Department cannot make significant changes in contract terms. So it's up to Congress to intervene.

Congress should pass two important bills. One, sponsored by Sen. Bill Bradley (D-N.J.), would change the rules for the federal water system in California—the largest such project in the nation—so that its water could be sought and sold as a commodity under state law.

The other is by Rep. George Miller (D-Martinez) to require farmers to take either federal water subsidies or federal crop subsidies, but not both. The GAO report said that in the mid-1980s nearly half of the federal water delivered at subsidized prices was used to grow crops sold, in turn, at subsidized prices.

Federal rules make buying and selling of Central Valley water far more difficult than do California rules. Although the state's policies need fine-tuning to create a true market for water, they were good enough to allow Gov. Pete Wilson to create a state water bank earlier this year as a drought emergency measure.

At the federal level, Interior already has signed about a dozen contracts that commit it to sell cheap water to irrigation districts for another 40 years, the report says. Over the next five years, it could sign another 50 or more unless the law is changed.

California agriculture must stop living in the past and let the people of California allocate nearly 8 million acre-feet of water with a process that fits the state's present-day needs. The bills that would do that both sit in the U.S. Senate's Energy and Natural Resources Committee.

Bradley should put them to a vote without delay. And California's Republican Sen. John Seymour should drop his misguided opposition to the bills and help them along.

□ 1340

Mr. LEHMAN of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in opposition to the motion. I strongly object to the motion. I do not feel it deserves the right to be considered at this time under suspension of the rules.

This started out in this House as a relatively simple proposal to give drought relief to California. It passed the House virtually without opposition. It went to the U.S. Senate, the other body, where it sat for about 8 months. It has come back here in pretty good form.

Now the gentleman from California, the chairman of the Interior Committee, is trying to pull a fast one. He is attaching several other amendments to this bill.

One, and Members of the House should know this, is a multi-billion-dollar collection of water projects. They have already been passed by the House. I have no objection to them, but Members should know that this bill on suspension today coming back from the Senate as a drought relief bill has approximately $2 billion in water projects in it.

It also contains the reclamation reform bill that the gentleman from California [Mr. MILLER] and I agreed to in the House earlier in the year. It is on the bill again today. I have no objection to that, but Members should know it has been added here.

What has finally been added in the bill is a rather onerous proposal that neither the gentleman from California [Mr. DOOLEY], nor I or the gentleman from California [Mr. THOMAS], or other Members on this floor would be concerned with, had the opportunity to see until this morning. That is a proposal to say to those who contract for Federal water that they will be limited to 3-year contracts henceforth.

This proposal has not been heard in legislative form before. It has not been negotiated out amongst members of the committee, as the other proposals have been, and will have a Draconian effect on farming practices in the central valley and other areas if it is enacted. It would simply be impossible for farmers to do any long-term planning or financing under the provisions of the 3-year moratorium.

I have expressed my desire and I am perfectly willing to negotiate some change in the way contracts are meted out, but I am simply not willing to be extorted and blackmailed out of our position on this issue by this type of tactic at this time.

I hope the Members of the House will reject this.

Mr. Speaker, I would hope we could take this bill back to just the drought portion of it.

Mr. MILLER of California. Mr. Speaker, I yield 7 minutes to the gentleman from Utah [Mr. HANSEN].

Mr. Speaker, I stand in support of H.R. 355, the Emergency Drought Relief Act and the Reclamation Projects Authorization and Adjustment Act. This is a major piece of legislation. In addition to the drought relief measure there are 33 separate bills contained in this legislation. It is over 200 pages long, directly affects 12 States and indirectly affects the entire Western United States.

I urge the support of this legislation to move the process forward so that we might ultimately pass these various water bills.

Many Western States are experiencing their fifth year of severe drought. Many experts have testified that notwithstanding the rains of this past springtime, California and other Western States may face economic and environmental catastrophe if the drought continues another year.

This underscores the importance of this emergency drought legislation. This bill will provide the Bureau of Reclamation the authority to:

First, undertake minor construction and drill wells to mitigate drought losses.

Second, it authorizes the Federal Government to participate in water banks set up by individual States.

Third, it allows the Department of Interior to move water and store water currently not allowed under existing law.

Fourth, the bill authorizes the Secretary of Interior to construct temporary barriers and take other measures to prevent salt water intrusion in the Sacramento-San Joaquin River Delta.

Fifth, the bill authorizes the Secretary of Interior to conduct studies relating to how the drought can be mitigated and how to make better use of existing water supplies generally. The bill authorizes the preparation of drought contingency plans.

Sixth, the bill authorizes $30 million for these drought activities.

Seventh, the bill also authorizes $12 million for the design and partial construction of facilities to control the temperature of water releases from Shasta Dam.

Eighth, the bill requires that all provisions pertaining to this act be consistent with State law.

I applaud the leadership of those who have worked on this drought legislation.

In addition to the drought relief measure, there are 33 separate titles contained in this legislation. It is over 200 pages long and directly affects 12 different Western States and indirectly affects the entire Western United States.

One of the major provisions of the legislation deals with an increase in the authorization levels for the central Utah water project.

The central Utah water project is the last, great water project in the West to go through Congress. This process started in the early 1950's with the passage of the Colorado River Storage Act and now, almost a half century later, we seek the final authorizations to finish this water project.

During the last 3 years, there has been an intense effort to craft Utah water legislation to meet the new challenges of reclamation development. We have learned that in order to build water projects, we need to be cost efficient and environmentally sound.

The Utah delegation has negotiated a very complex piece of legislation which has the support of various environmental, public power interests, Native Americans, water districts and local governments. The negotiations have not been easy; rather, they have been long and hard. This coalition has come together after a tremendous, bipartisan effort. I salute the many people who have brought us this far and express appreciation for their excellent work. Among others, I want to express my appreciation to Chairman MILLER for his leadership on this bill.

I would like to make four major points in my remarks today. First, the central Utah water project titles in this bill cut new ground in reclamation law. For the first time, the local water district, in this case the central Utah water conservancy district, will construct the remaining water delivery features. As a result, the cost of the construction can be reduced significantly because private enterprize will engineer and construct the water systems rather than a more expensive Federal agency with its built-in overhead costs. We have determined this amounts to a 35-percent reduction in costs.

The second point concerns one of the most aggressive water conservancy plans in the Nation. Local water districts have agreed to plans to protect the scarce water supplies the CUP will provide.

The third point deals with local cost sharing and repayment obligations set forward in the legislation. This bill is not a gift to the State of Utah. There are local cost sharing obligations which require local parties to pay 35 percent of the cost of the systems in the bill. This is a substantial sum to the citizens in the State of Utah and was part of a long, drawn-out compromise. We have determined while this might be a burden, it will be a sacrifice the people of Utah will have to make to assure themselves of a long-term water supply.

My fourth and final point relates to the environment. The Utah titles in this legislation provide for the completion of the environmental mitigation features associated with the CUP. It creates a commission to oversee the various environmental initiatives and allows for significant funding to make sure actions are taken.

Water is critical to the development of the West. Much of this bill has already passed this body three times by large vote margins.

Mr. Speaker, I urge adoption of H.R. 355.

Mr. Speaker, I ask unanimous consent to control the balance of the time that has been yielded to me, and that I may yield time to other Members.

The SPEAKER pro tempore (Mr. MONTGOMERY). Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. LEHMAN of California. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. THOMAS].

Mr. THOMAS of California. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, I want to underscore the points that my colleague, the gentleman from California, has made; that is no one is objecting to the bulk of the bill. It has gone through the normal legislative process. No one is objecting to the portions which deal with the California drought. That has gone through the legislative process.

What it boils down to is the personal opinions of the chairman. Prior to becoming Chair, we all knew where the gentleman from California [Mr. MILLER] stood on how he wanted to fundamentally change the Federal water projects. He has his own narrow agenda, but upon becoming chairman of the Interior Committee, I do not think any of us thought that he was going to attempt to take that narrow personal opinion and abuse the legislative process in pursuit of his interests.

What we are objecting to on suspension in this bill is this single amendment. This amendment never went through the committee. It has never been heard on either the House or the Senate side. It has not been presented to the very people who would be affected.

It is an attempt to write his own personal concerns into the bill through the suspension process.

Mr. Speaker, we know this bill contains many needed and valuable projects. Why do you think the chairman attached this amendment to this bill? If it was a bill that was not with great merit, he would not have attached this controversial amendment to it.

We are asking that you vote no on the suspension as much for the substance as the procedure, but if you are not focused on the substance as those who would have to live with it are, please understand the procedure.

It is not proper for chairman of committees to write their own personal agenda without at least consulting the members of the committee.

Mr. LEHMAN of California. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. DOOLEY].

Mr. DOOLEY. Mr. Speaker, as a cosponsor of H.R. 35 and a strong supporter of H.R. 429, it pains me to have to come down here today and oppose this drought bill. It is not because of the great projects included in those components, but as the speaker before me indicated, we are opposed to it because of an amendment that was attached to it at the 11th hour, an amendment that none of us were able to see in written form until 11 o'clock this morning, an amendment that never has gone through the subcommittee, has never gone through the full committee, and never has had a full hearing and investigation as to its implications.

This amendment if it was implemented could jeopardize as many as 20,000 farmers in California. With a 3-year timeframe on it, it would almost totally eliminate their ability to secure long-term financing. It would basically put them out of business.

I attended the hearing on the GAO report on contract renewals and their application for a limitation on those terms, but that GAO report was limited in its scope. It did not consider the economic implications to the farmers. It did not consider the economic impact to the businesses and the small communities which are in those areas which receive Federal water.

Clearly, this is not the appropriate place for us to be placing a limitation on Federal contracts.

This morning the Governor of the State of California also issued a letter in opposition to this.

□ 1350

There are water districts throughout the State which are opposed to this

limitation. In fact, the Association of California Water Agencies, which represents 400 urban and rural water districts, are also opposing this amendment.

I am sorry that we have to do this, but I ask Members of this House to oppose this bill because it includes an amendment that gives consideration to something which will have dire impacts and has not had the full hearing of this body.

Mr. HANSEN. Mr. Speaker, I yield such time as he may consume to the gentleman from Nebraska [Mr. BEREUTER].

Mr. BEREUTER. Mr. Speaker, I rise in support of the Groundwater Demonstration Act provisions in this bill.

Mr. Speaker, this Member rises in support of the Groundwater Demonstration Act provision of H.R. 355 and would begin by commending the distinguished gentleman from California [Mr. MILLER], the chairman of the Committee on Interior and Insular Affairs, as well as the distinguished gentleman from Alaska [Mr. YOUNG], the ranking member of the committee, for their assistance in including H.R. 355 legislation that this Member introduced, H.R. 256, which amends the High Plains States Groundwater Demonstration Act in order to increase the funding authorization from the original $20 million to $34 million. Previously, these Groundwater Demonstration Act provisions were included by the distinguished gentleman from California [Mr. MILLER] in H.R. 429 as passed by the House on June 20, 1991, which is now incorporated into H.R. 355.

The original act, the High Plains Groundwater Demonstration Program Act of 1983 (98 Stat. 1675), also introduced by this Member, authorized and directed the Secretary of the Interior, acting through the Bureau of Reclamation, and in cooperation with the Geological Survey, the Environmental Protection Agency, and 17 Western States to investigate the potential for artificial recharge of aquifers and to establish ground water recharge demonstration projects. In 1987, the 21 authorized projects were estimated to cost $18,520,400 which was under the $20 million authorized.

The Bureau of Reclamation in its September 1990 interim report to Congress, estimated the costs to complete the 21 projects at $31 million using 1989 price levels. Cost increases from the original 1987 estimate are due primarily to: First, inflation; second, addition of environmental protection and monitoring features; and third, an increase of $2.8 million due to the substitution of three new projects for three originally approved projects that later were withdrawn from the program due to changes in local sponsor support.

Seventeen projects are now underway or completed, while four have been deferred due to lack of sufficient funding under the current ceiling. Of the 17 projects, 6 projects have been reduced in scope or are limited to paper feasibility studies because field demonstration activities have been deleted in order to stay within the $20 million ceiling. H.R. 429 would raise the ceiling to $34 million to allow for inflation that has occurred since the estimates were made in 1989 for completion of all demonstration projects directed by the original High Plains Groundwater Demonstration Program Act of 1983.

This $14 million increase in the authorization level would result in the completion of the following projects: Rillito Creek, Tucson, AZ; Arcade, Sacramento, CA; Stockton East, Stockton, CA; Equus Beds, Newton, KS; Big Creek, Hays, KS; Woodward, Woodward, OK; Southwest Irrigation District, ID; Wood River, Grand Island, NE; and Texas High Plains, Texas Panhandle.

The Members of this body are all too familiar with the serious shortages of water in the semiarid and arid areas of the High Plains and the West. The chronic water shortages which California and other Western States have suffered, and which have become even more serious in recent years, serve to further emphasize the need for new approaches to water management and development.

Ground water provides the majority of the water supply in most of these States—especially in the High Plains. Indeed, the economic base of much of rural America is dependent upon ground water sources. In many areas underground water supplies are not only being mined at an alarming rate, but the overall quality is being threatened by contamination from various pollution sources or intrusion of brackish waters.

The basic purpose of the High Plains Groundwater Demonstration Program is to evaluate different ways of putting water back into the ground—artificial recharge. The program is designed to move ground water recharge technology from the research mode to the pilot demonstration phase and then, to evaluate the potential for building or rehabilitating larger operational projects.

Again, Mr. Speaker, this Member would like to thank the distinguished gentleman from California [Mr. MILLER] for his recognition of the importance of ground water demonstration projects. Learning how to recharge ground water resources is very important. By taking new initiatives to conserve our supplies and preserve the high quality of those ground water supplies, we will be successful.

Mr. HANSEN. Mr. Speaker, I yield 2 minutes to the gentleman from Arizona [Mr. RHODES].

Mr. RHODES. Mr. Speaker, I am going to vote for H.R. 355, but I have to tell you and the rest of the House I am not very happy about it. The base of this bill is the drought bill. That drought bill was passed, first of all, was put together by the gentleman from California [Mr. LEHMAN], the gentleman from California [Mr. MILLER], and myself earlier this year and passed in March of this year in this House as an emergency because there is a drought emergency in the great Far West, particularly in the State of California.

Mr. Speaker, it languished in the Senate for 6 months and finally passed the Senate in October of this year and is here now in a position where we can agree and pass it and send it to the White House for signature.

But instead it has become once again another omnibus reclamation bill. One of the provisions contained in it is the Grand Canyon Protection Act. This is the Grand Canyon Protection Act of 1989, the Grand Canyon Protection Act of 1990, the Grand Canyon Protection Act of 1991, and the way things are going it is going to be the Grand Canyon Protection Act of 1992, and maybe 1993.

For us to respond to an emergency in the Grand Canyon?

This bill could pass both Houses and be sent to the President and have it signed standing alone, and we have urged and begged to have it stand alone and get sent to the President, to respond to an emergency.

Fortunately, the administration is not waiting for Congress to respond to an emergency in the Grand Canyon. And by the time we get around to actually passing it and getting it signed, the Department of the Interior will have administratively resolved the problem in the Grand Canyon.

What are we doing here? We have admitted emergencies, drought, environmental problems in the Grand Canyon. And what do we do? We put them into legislative packages that we know are impossible.

We have emergencies in Utah. The central Utah project has languished for 4 years in this House, waiting for reauthorization. Every time we get it close, somebody sticks something on it that cannot pass in the Senate.

Mr. Speaker, this is not being responsive to the needs of our constituents, it is bad legislation. I feel very, very deeply for Mr. LEHMAN and his colleagues who have been wronged by the particular amendment about which they are complaining. I am sorry I have to vote for the bill. I am sure you understand why. But I do understand your concern.

Mr. LEHMAN of California. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. HERGER].

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

Mr. Speaker, I strongly oppose this effort to substantially rewrite Federal water policy on the Suspension Calendar. With very little consideration, we are facing today, a proposal that will undermine the economic base of rural communities in California.

Many people have asked what is wrong with eliminating long-term water contracts. The answer to that is simple. Assured access to water is absolutely vital to obtaining affordable credit, and to maintaining the value of farmland.

Indeed, the length of water contracts is the single most important element in a water contract. It is more important than the amount of water provided or the cost of that water.

Why? Because assured water supplies are the foundation of affordable credit for agriculture. The shorter the water

contract, the shorter the repayment period required by the bank. Shorter repayment periods on loans mean higher annual credit costs to farmers. Indeed, shorter water contracts may mean farmers completely lose access to credit.

Local irrigation districts will also find it difficult to obtain credit, maintain their operations, or implement water conservation procedures.

Access to water and credit determine farmland values. Farmland is the farmer's primary asset, and during the drought, land values have fallen between 25 and 30 percent. Shortening water contracts will reduce land values even further.

Limiting contracts will also affect cropping decisions, halting the trend toward production of higher value, permanent crops, such as nuts and other tree products.

Finally, by reducing the economic viability of agriculture, short-term contracts will have a ripple effect throughout the economies of many rural communities, reducing ancillary business activities, and constructing the local tax base.

Mr. Speaker, the Suspension Calendar is no place to consider legislation that is so potentially devastating to California agriculture. I urge a no vote on H.R. 355.

Mr. MILLER of California. Mr. Speaker, I yield 1 minute to the gentleman from Colorado [Mr. CAMPBELL].

Mr. CAMPBELL of Colorado. Mr. Speaker, I support Mr. MILLER'S motion to strike the Senate amendment and accept substitute language. This substitute is vitally important to western States and contains an important provision to transfer the operation and maintenance of the Platoro Reservoir in southern Colorado to the local irrigation district.

It also provides for the enhancement of fish habitat in the Conejos River in southern Colorado.

The Platoro Reservior was built in 1951, by the Bureau of Reclamation. Because of the administration of the interstate Rio Grande compact, the reservoir has never been used. Including it in the provisions of the drought bill will make this facility available for use to combat drought in the Rio Grande basin immediately.

By making local water users responsible, making this irrigation project work will allow them to implement an aggressive local water management program to realize the project's irrigation benefits.

This bill is also intended to end a longstanding environmental problem caused by the original construction of the reservoir, namely maintaining satisfactory in-stream flows in the Conejos River for fish and wildilfe.

For nearly 40 years the water in Platoro Reservoir has been wasted because water simply fills the reservoir, then is released so that it does not spill over the top. This is a crime because the Conejos Valley is one of the poorest in the country, with unemployment averaging around 20 percent.

This bill will allow the valley's farmers to use the water to grow crops and allow its residents to use the fish and wildlife enhancement provisions to attract visitors to the region.

Therefore, I urge my colleagues to vote in favor of Mr. MILLER'S motion.

Mr. HANSEN. Mr. Speaker, I yield 2 minutes to the gentleman from Wyoming [Mr. THOMAS].

Mr. THOMAS of Wyoming. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, I rise in support of H.R. 355, the Emergency Drought Relief Act of 1991.

Contained in this legislation before us in the Reclamation Adjustments Act of 1991 or H.R. 429. The lead title in the reclamation bill is the Buffalo Bill Dam authorization. The Buffalo Bill Dam provides water to a large number of irrigators in northeast Wyoming, generates hydroelectric power, and provides recreational benefits for the Cody area. This legislation has passed the House three times during the last 2 years. Earlier this year on June 20, the Reclamation Act passed by a vote of 360 ayes to 24 nays.

In 1982, Congress authorized extensive modifications to the Buffalo Bill Dam. The plan was to raise the height of the dam by 25 feet. The act authorized appropriations of $115.7 million and the modifications are largely complete. However, subsequent to the 1982 authorization, the Bureau of Reclamation identified a number of design changes which needed to be addressed.

Last year I introduced legislation which authorized the completion of the Buffalo Bill Dam. Unfortunately, though the bill itself has been noncontroversial, this section in the omnibus water bill has not been approved due to a number of other contentious issues contained in other titles.

The Buffalo Bill Dam project is unique because it includes a substantial cost-sharing arrangement with the State of Wyoming. This Federal-State cost-share plan is extremely important and is a good example of what can be accomplished when the Federal Government and the States work together. As we continue to tighten our belts to combat the Federal budget deficit, we should begin to look at progressive agreements, like Wyoming's, in order to complete vitally needed projects.

Regarding the drought legislation, I am glad to report that we were able to work out language on the so-called Warren Act amendments so that the State of Wyoming would not be harmed by other States. The Warren Act amendment pertains only to the State of California.

Mr. Speaker, I urge the quick adoption of this legislation.

Mr. LEHMAN of California. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. MCCANDLESS].

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

Mr. Speaker, I have so many questions about what has just been done because of the State water project and its importance not only to central California but to those who paid for it in the southern part of the State, who have allotments. The information is just not available to establish the impact that this is going to have.

Mr. Speaker, I worked very hard on the drought bill H.R. 355. There is a need to recapitalize many of the citrus groves that were totally destroyed. The reclamation project has a project in it that could revitalize total wastewater or salinized water and make it palatable for purposes of agriculture.

I am involved in that. So I am caught, so to speak, between a rock and a hard spot. But when I see here all of a sudden we have legislation by nonrepresentation of water contracting, my questions are numerous in that what happens to the allotment water coming from the State water project to the south of the central valley, the areas of the Cochilla Valley, the areas of San Diego and those who receive that water directly or indirectly through exchange?

□ 1400

Mr. Speaker, I am sorry to say, but I must in all candidness, that unless some of these questions are answered and answered in some way that I have reassurance, I would have to shoot myself in the foot and vote against both 355 and 429. I hope that my colleagues would, if I understand correctly, defeat this on suspension so we can bring this back in an orderly manner.

Today we have two very important bills and one unacceptable amendment made in order by the Rules Committee. H.R. 355 will provide desperately needed assistance to drought-stricken communities across California and the West. H.R. 429 includes a variety of reclamation projects throughout the country and a very important project for the Salton Sea.

The Salton Sea suffers from an extremely high salinity level, which threatens both local and transient wildlife. A task force formed in 1986 listed a number of alternatives aimed at solving this problem. I have incorporated the preferred alternative of establishing a desalination plant into the text of H.R. 429. This desalination facility will serve the people of the southern California desert area, providing tremendous long-term economic and environmental benefits.

Unfortunately, today I am forced to vote against the project for which I have worked so long. Through parliamentary gimmicks, an amendment has been added to these two must-pass bills that would implement one person's idea of proper usage upon the millions of people whose very lives depend on the limited water resources in the West.

I am voting in opposition to this bill because of this amendment. It is my hope that we will be able to defeat this amendment by voting down this bill which requires a two-thirds majority and pass the two needed bills separately.

Mr. LEHMAN of California. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I would like to bring to the attention of the Members of the body a letter dated November 18, directed to the chairman of the committee from the Governor of California, Pete Wilson.

The letter referred to is as follows:

STATE OF CALIFORNIA,
WASHINGTON OFFICE OF THE GOVERNOR,
Washington, DC, November 18, 1991.

Hon. GEORGE MILLER:
U.S. House of Representatives, Washington, DC.

DEAR CHAIRMAN MILLER: Your prompt efforts earlier this year to move drought relief legislation, H.R. 355, in the House were commended by the State. However, I was greatly dismayed to learn that despite this positive action, you have now proposed to amend H.R. 355 in a manner that will place the adoption of the drought relief package at risk, as well as placing thousands of California farmers in financial jeopardy.

Amending H.R. 355 to limit the term of water delivery contracts through a contract moratorium provision could devastate the agriculture-based economy of the Central Valley. Although I am aware of your concerns relative to extension of water delivery contracts, California simply cannot afford such a proposal.

The proposed moratorium will impact California farmers' ability to receive long term capital financing, diminish their credit worthiness, reduce financial flexibility and impair their overall ability to operate. As you see, long-term water service contracts are an integral component of agriculture. The economic effects of changing those contracts must be considered.

I support efforts to restore fish and wildlife in the Central Valley. However, achievement of these goals can best be accomplished through well developed, cooperative efforts rather than through amendments which may ultimately result in decreased water quality, damage to the viability of California's agricultural economy, and adverse impacts upon fish and wildlife habitats and resources. The State is committed to finding ways to provide greater protection for fish and wildlife within the context of long-term contracts. Your proposed amendment is contrary to the needs of the State and to the ultimate resolution of these issues.

On July 30, 1991, I joined the Governors of six other western states in expressing to Senator Bennett Johnston our strong desires that drought relief legislation be expediently considered. Following House and Senate adoption of H.R. 355, I felt confident that California would soon receive the Federal relief assistance that is so vital. Unfortunately, political considerations have now been placed before the needs of Californians.

I am committed to working with you and other members of Congress to address fish and wildlife concerns as well as avoiding unnecessary and adverse consequences upon other water users. As a result, I strongly urge that the drought relief measure remain unencumbered. This will provide all interests with the necessary opportunity to develop equitable and meaningful solutions to restoring Central Valley fish and wildlife. In this regard, please feel free to contact either Benjamin Haddad, Director, or Mary McDonald, Washington Representative, in my Washington, D.C. Office at (202) 347-6891.

Sincerely,

PETE WILSON.

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

Mr. MILLER of California. Mr. Speaker, I yield 2 minutes to the gentleman from Utah [Mr. OWENS].

Mr. OWENS of Utah. Mr. Speaker, I rise in strong support of this bill currently before us today, and I want to say that the gentleman from California [Mr. MILLER], chairman of the Committee on Interior and Insular Affairs, as much as any chairman in this House pays attention to the members of his committee, and I want to refute those statements made by a Member of the opposition a few minutes ago saying this bill is being passed without even consulting members of the committee. The large important provisions of this legislation have been dealt with in committee extensively. They have been twice; irrigation reclamation reform, reclamation reform, has been twice passed by overwhelming votes by the House of Representatives. Contained within this legislation is the central Utah project, of which I have been very heavily involved for the last 4 years.

Mr. Speaker, in Utah we have waited for the completion of the central Utah project for some 35 years. This piece of legislation, which is the primary component of H.R. 429, which is to be added as an amendment to H.R. 355 today, is the most important piece of legislation for my State in many decades. We have a unified Utah congressional delegation, totally bipartisan, in support of the central Utah project and of this legislation before us today. At the end of the last Congress, 13 months ago, we came within a few hours of final passage of this legislation and signature by the President, and the House has again this year overwhelmingly passed this legislation.

Mr. Speaker, I want to commend the chairman, the gentleman from California [Mr. MILLER], for trying to push these needed reforms today and these water projects as a part of H.R. 355. H.R. 355 is critically important to California's water users and may provide the incentive to go ahead with H.R. 429, as well, or at least to go to conference. I should point out that the Central Utah Project Completion Act is the product of 4 years of intense negotiation between water users and environmentalists.

The SPEAKER pro tempore (Mr. COLEMAN of Texas). The time of the gentleman from Utah [Mr. OWENS] has expired.

Mr. HANSEN. Mr. Speaker, I believe I have 1 additional minute, and I yield it to the gentleman from Utah [Mr. OWENS], my colleague.

Mr. OWENS of Utah. Mr. Speaker, I thank the gentleman from Utah [Mr. HANSEN], my colleague, for the opportunity to make this point.

Mr. Speaker, this is the product of 4 years, this Central Utah Project Completion Act, 4 years of intense negotiation. It has involved all of the environmentalists, all of the water user groups of Utah, and indeed most of the West, and I want to point out that any controversy of this legislation is entirely extraneous to the central Utah project. The project itself individually has passed the House at least on two occasions by overwhelming votes, and the central Utah project is a model for future water projects in this country. It carries with it environmental enhancement, as well as economic development, and it is the most fiscally responsible irrigation act ever to pass the House of Representatives.

The State of Utah is required to make the largest contribution of any water project that has ever come before Congress. It is obvious to all but the last holdouts that U.S. water policy is badly in need of reform, and that is addressed in this legislation.

I thank the gentleman from California [Mr. MILLER] and his staff for this important amendment and vote today. I have worked on the central Utah project for 4 years, and it is the highlight of my service in the House. The Central Utah Project Completion Act is Utah's link to the future. It protects our economic vitality and our environmental heritage.

To the citizens of Utah, this is the single most important piece of legislation to come before Congress in 35 years.

Utah is the second most arid State in the country, and water is the key to economic development. If we do not have the water to sustain our growth, we cannot attract business, or make our cities and towns good places to live. Without water for the future, we will wither. With that water, we will blossom.

The central Utah project began more than 35 years ago. The original concept was to bring our negotiated share of Colorado River water from the Uintah Basin where there are few people and much water, into the Wasatch front and the Great Salt Lake Basin, where there are many people and very little fresh water. It is the largest transbasin diversion of water ever undertaken in this country, and it is absolutely vital to Utah's future.

The original central Utah project was at cross purposes with our Nation's environmental ethic and did great damage to Utah's outdoors. It was also at cross purposes with the Nation's fiscal realities. This bill corrects both of those failures.

More than 50 sportsmen and environmental groups have spent the last 4 years working with the Utah delegation to restore the original genius of the cup. We left more water in the mountains and we made minimum stream flow requirements and quadrupled class A fishing streams. We will complete the Jordan River Parkway and establish a wildlife refuge on Utah Lake, 1 of the 10 most important and still unprotected wetlands in the West. We establish a mitigation commission, to coordinate Agency projects and address fish and wildlife problems that are currently unknown.

The central Utah project, unlike most of its predecessor water reclamation projects, is totally fiscally responsible—it should be authorized, and for all the valid reasons. We placed a cap on bureaucratic overhead, killed hundreds of millions of dollars of unneeded water projects and with the Utah share of 35 percent, the largest of any such water project. The American taxpayer has been responsibly protected.

Most Utahns will benefit from the environmental care and growth opportunities developed in this bill. I am proud of these accomplishments, and I express my appreciation for the dedication and spirit of the individuals who worked on this bill. I think it is very significant, that the interested parties and Utah's congressional delegation have achieved consensus on virtually every major aspect of the project.

That consensus has not been accidental, and it has certainly not been easy. The central Utah project is the result of a willingness by many people with divergent interests to find a compromise that is acceptable to all. It represents a huge expenditure of time and energy to rationally redesign and update the project for the people of Utah.

The Central Utah Project Completion Act of 1991 is virtually identical to the bill that actually passed the House and the Senate last year. But our bill died in the final moments of the 101st Congress, becoming embroiled in the major conflict over the Reclamation Reform Act to which it was tied, as it is today.

We again ask Congress to support our efforts to complete this project, to begin delivering water to the Wasatch front and beyond to southern Utah, and to mitigate environmental damages.

Let's pass this bill resoundingly today. Utah needs the central Utah project and the country needs these sensible water reforms. The bottom line is that we can no longer afford to use water wastefully in the West. It is not just a question of environmental protection, but of simple economics. The provisions in the bill today, including the new provision limiting the ability to sign long-term contracts in the Central Valley project of California, are necessary to correct longstanding errors in water policy. Let's pass this bill in the House and get on with it. Eventually, the other body will have to accept that the world of water policy has changed. I commend the chairman of the Interior Committee and his staff for their insight and for their persistence. They have chosen an excellent vehicle to lead a few recalcitrant Congressmen and Senators to finally accept that view.

The SPEAKER pro tempore. The time of the gentleman from Utah [Mr. OWENS] has expired.

Mr. THOMAS of California. Mr. Speaker, will the gentleman yield?

Mr. LEHMAN of California. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. THOMAS].

Mr. THOMAS of California. Mr. Speaker, will the gentleman from Utah [Mr. OWENS] respond briefly because I think he has indicated that he had some concern about the method in which the chairman was operating. It is precisely because there are so many worthy projects in this legislation, such as the Utah project, such as the Arizona, such as the California, Nebraska, Kansas, Wyoming, on and on, that this kind of an amendment, and perhaps the gentleman has not seen section 3501, contracts, which fundamentally reforms Federal contracts, because it never came to the subcommittee and never appeared before the committee, and it has now been attached to this bill.

Mr. Speaker, I understand the willingness of the gentleman from Utah [Mr. OWENS] to praise the chairman for those broad projects which provide coverage for this very kind of behavior. We are not criticizing all of those worthy projects that are in the bill. We are criticizing this amendment, which may or may not be worthy, and the manner in which it was placed in the bill. It is not general criticism of the chairman; it is a very specific criticism of the chairman.

Mr. LEHMAN of California. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. DANNEMEYER].

Mr. DANNEMEYER. Mr. Speaker, I would like to ask the gentleman from California [Mr. MILLER] a question on my time:

Mr. MILLER, I would like to ask you a question. You are chairman of the Interior Committee; is that right?

Mr. MILLER of California. Mr. Speaker, will the gentleman yield?

Mr. DANNEMEYER. I yield to the gentleman from California.

Mr. MILLER of California. The gentleman is correct.

Mr. DANNEMEYER. And does the Committee on Interior and Insular Affairs have jurisdiction over water projects?

Mr. MILLER of California. Yes.

Mr. DANNEMEYER. I understand this bill has something to do about changing water policy in California in a very significant way. Is that true?

Mr. MILLER of California. No; what this bill does——

Mr. DANNEMEYER. Mr. Speaker, I reclaim my time. The question can be answered yes or no.

Mr. MILLER of California. The gentleman can ask somebody else questions on his time.

Does the gentleman want an answer?

Mr. DANNEMEYER. I want an answer; go ahead.

Mr. MILLER of California. Does the gentleman want an answer from me?

Mr. DANNEMEYER. The reality is, Mr. Speaker, that what the gentleman is doing here in this process is a total violation of what the whole House is supposed to be doing, namely, when significant, even amendments of a minor nature, are to be considered on policy questions, they are to be considered by the policy committee, in this instance the committee of the gentleman from California. He has got the vote to control it there.

Mr. GEJDENSON. Mr. Speaker, will the gentleman yield?

Mr. DANNEMEYER. Mr. Speaker, if the gentleman gets me some additional time, I will yield, but in this instance, since the gentleman did not want to go to his own committee, it tells me he did not have the votes there.

Mr. MILLER of California. Mr. Speaker, will the gentleman yield? He asked me to answer the question.

Mr. DANNEMEYER. Mr. Speaker, I will make my statement, and then, if I have time, I will yield to the gentleman.

Mr. Speaker, as the gentleman knows, I am puzzled because he is the chairman of the committee. I would assume the members on that committee are there with his blessing. He has their proxies in his pocket. If the gentleman cannot get his amendment by that committee that he controls, I guess from his standpoint the way it is done is to go to the Committee on Rules and have an amendment offered on to a bill on suspension that changes everything.

Mr. Speaker, I only hope the Members around this House floor and watching on closed TV in their offices will understand what is at stake here. If we are going to have a major change in water policy, it should be debated on the floor of the House, not achieved through an end run on the rules of the House.

Mr. LEHMAN of California. Mr. Speaker, I yield such time as he may consume to the gentleman from South Dakota [Mr. JOHNSON].

Mr. JOHNSON of South Dakota. Mr. Speaker, as a member of the Committee on Interior and Insular Affairs, I rise in strong support of this legislation and the chairman, the gentleman from California [Mr. MILLER].

□ 1410

Mr. MILLER of California. Mr. Speaker, I yield 1 minute to the gentleman from Connecticut [Mr. GEJDENSON].

Mr. GEJDENSON. Mr. Speaker, lest the Members of the House think this is some regional issue, this is not some regional Western issue. This is a taxpayer issue, and I am frankly surprised by the gentleman from California [Mr. DANNEMEYER], who seems to think that it is all right to keep squandering tens of billions of dollars. We have made a modest increase in the ability to control this waste of money. One farmer got $3 million of subsidies while growing a crop that was in surplus.

So for God's sake, let us not look at this as some Western battle over who gets the water or who gets the pork. It is time that these farmers—and I grew up on a dairy farm and still live there—get what they deserve, but not more. They ought not be getting tens of billions of dollars' worth of subsidies.

We have worked out some ways to try to reduce the waste. If this does not

pass here, I would hope the rest of the Members of the House would join me and come back and just end these foolish contracts for growing crops that are in surplus, wasting the Government's money in two ways.

Mr. LEHMAN of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I think the Members ought to be clear here on what this is really about. The moratorium, the 3-year limitation on contracts offered by the gentleman from California [Mr. MILLER], is not going to affect any of the big corporate farms, it does not affect the Westlands Water District, and it does not affect the Boswells. The contracts that those people have do not come up until some time into the future, 10 or 15 years from now. This affects a lot of little districts, the Fresno Irrigation District and the Porterville Irrigation District, and some uses that are municipal and agricultural in nature. It affects those who use this water in conjunction with other water that they have, and as the Governor of California stated in his letter to the chairman, it will place a great hardship on them.

But there is no financial savings in the Miller proposal, and there is no water savings in the Miller proposal.

Finally, I say to my colleagues that I do not begrudge any of you who have your water projects in this amendment; I envy you. But the fact is that your water projects are being used here to take our contracts away from us. I will be very frank. I am in an awkward position because the drought bill that is supposed to be before us is a bill that I originally authored. It is a bill that affects my district a great deal, and it affects the districts of a lot of other Members. But if we are going to have a gun held at our head and they say, "You are not to get this drought relief unless you sign up and agree to only 3 years on contracts," then I say, "Take your drought relief and keep it."

We are not going to be blackmailed, we are not going to be extorted, and we will do without it. We need the relief, we would like to have it, but the price in this instance is far too high.

Yes, we have problems with water quality in California, and, yes, we have problems with riparian habitat, but we are working those out here, and let us continue to work them out here in the context of legislation, not in the context of taking an amendment up on the floor that is, from a parliamentary standpoint, very difficult to defend against.

Mr. THOMAS of California. Mr. Speaker, will the gentleman yield briefly?

Mr. LEHMAN of California. I yield to the gentleman from California.

Mr. THOMAS of California. Mr. Speaker, if this bill is defeated on suspension, these other good and worthy bills can come up before us in an orderly fashion. It is the manner in which the chairman of the committee has attached his own personal amendment, one that was never reviewed by the committee or subcommittee, to a package of good bills that we are protesting, not the base bills, and those bills can come up in an orderly fashion; is that true?

Mr. LEHMAN of California. Mr. Speaker, the gentleman is absolutely right. The bills have passed the House, and those bills are in the Senate. Those bills can go to conference via any one of a number of avenues.

The whole point here is to attach this 3-year limitation on contracts to that big $2 billion water project train going out of the House and our drought relief bill. But, thank you, we will wait on the drought relief. We do not need this noose.

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

Mr. MILLER of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, a lot of statements have been hurled around this Chamber about how this is my personal amendment, and so forth. That simply is not true. What we have here is legislation. In March of this year we sent it to the Senate, and the Senate failed to pass it until just recently.

We sent the Reclamation Reform Act out, and everybody said here they were for that. We sent it in June of this year, and the Senate has refused to take it up. What we are talking about is two things: The ability of California to get hold of water policy for the future. Under the current law, 40-year contracts will be renewed, the same contracts that read as though they were written in 1956, when a candy bar was a nickel. That is what they are saying to us.

Every major urban water district has endorsed this effort in limiting these 40-year contracts. Every major newspaper, whether they are from the north or the south or the central valley or elsewhere, has endorsed the limiting of these contracts. I am not trying to impose my view of these contracts in my amendment. I am simply trying to get a negotiating session that is real.

Last week in the negotiations those people who represented the people who now say they want more time walked out of the meeting or they did not show up for the meeting or they stayed for an hour. So the Senate, just as they killed all the projects of Members here in the last session, are up to their same old shenanigans. This is our ability to go to conference on water law reform and on projects that are necessary.

Let us remember that there is a taxpayer stake in all of this. These contracts deliver highly subsidized water, subsidized water that is as high in some cases as $300,000 or $400,000 a farming unit per year, subsidized water that taxpayers from all the rest of the Nation pay.

All we are asking is to update the contracts, and we will negotiate that. Everybody here has been involved in that, except that the history has been that for those who have the 40-year contracts, those who have the water, delay is to their financial advantage because the taxpayers keep paying for the subsidy.

Everybody else in this bill in their projects has had to modernize the projects. The Utah delegation has had to come up with hard-earned taxpayer money from the citizens of the State of Utah. The Buffalo Bill project came up with real money, I think, for the first time in the history of this program.

This is about reform. What we now have is a handful of people in California who simply do not want to reform because every year they go to the Federal Treasury for billions of dollars in subsidies. The interest is foregone, the interest is subsidized, the water is subsidized, and the crops are subsidized. That may be all well and good, but we should not let the Secretary of the Interior do as he has announced he is going to do, and that is simply to resign these contracts for another 40 years. That is not in the interest of our State administration, it is not in the interest of the urban water users, and it is not in the interest of small farmers, because if that happens, some day what we will do is see that all water will simply migrate to southern California.

They have already offered $200 million. Let us get together and negotiate a policy. The problem has been that those people who have the subsidies, who have the contracts, and who have the water have been very skillful in keeping those negotiations.

So this legislation, Mr. Speaker, should pass. It should pass in the name of reform, it should pass in the name of tax policy, it should pass in the name of the environment, and it should pass in the name of water quality for the future of California.

Mr. DOOLITTLE. Mr. Speaker, I rise in opposition to H.R. 355, the Reclamation States Emergency Drought Relief Act of 1991, on the Suspension Calendar.

I am aware that this is an unusual request, because I am an original cosponsor on this important piece of legislation. H.R. 355, however, is before the floor with an amendment that addresses a highly important and controversial western water issue—water service contract renewals.

H.R. 355, in its original form, is a much-needed measure to relieve the drought-stricken Western States, which are entering their sixth straight year of drought.

It is unacceptable that the language of this amendment was unavailable until late this morning. The amendment has not been through the committee process. The provision of this amendment will redefine long-term

water contracts from 20 years to 3 years in perpetuity, and if enacted, will place this drought relief legislation in danger and will place over 18,000 California farmers in financial peril as well.

Sneaking amendments into measures in the eleventh hour is not the way to decide public policy issues. We all must have the opportunity to voice our opinions and I ask, to ensure prompt enactment of H.R. 355 and fair consideration of the water contract renewal issue, that water contract amendments to H.R. 355 be removed from the Suspension Calendar.

I strongly urge my colleagues to vote "no" on H.R. 355 in its current form.

Mr. CONDIT. Mr. Speaker, I rise today in opposition to the amendment offered by the gentleman from California to H.R. 355, the Bureau of Reclamation Drought Assistance Act. This amendment, if passed, would make a fundamental change to Federal reclamation law.

Mr. Speaker, this controversial amendment is being offered today under suspension of the rules without ever having been through the normal legislative process. The chairman of the committee may say that hearings were held on this issue earlier this year. However, these hearings were solely on a GAO report and the only witnesses allowed to testify at the hearing were from the GAO. In addition, while the sponsor of the amendment says that his amendment was drafted in response to GAO recommendations, in reality the GAO has never made a specific proposal to limit water contracts under the Federal reclamation law. In fact, during the hearings earlier this year, GAO was pressed several times to provide a specific proposal and declined.

The issue today is process. The sponsor of the amendment has a clear agenda. He wants to completely rewrite Federal reclamation law. I share his concern about abuses of the reclamation programs. For that reason, I joined with my colleagues from California earlier this year and negotiated a compromise with the gentleman on H.R. 429, the Reclamation Reform Act. I supported and voted for this compromise because I believe it goes a long way in addressing the mutual concerns that we have regarding reclamation law. I was also a strong supporter of H.R. 355, the reclamation States' drought relief bill. However, the bill before us today contains a provision that I cannot support.

The amendment offered includes a limitation of 3 years for water contracts between the Bureau of Reclamation and water districts. Under current law the Bureau may enter into contracts of up to 40 years. A limitation of 3 years on reclamation water contracts is certain to wreak havoc on the $18 billion a year California agriculture industry. Governor Wilson's office has estimated that this provision will affect more than 18,000 farmers in California. Clearly, an amendment that has this great of impact should not be considered under suspension of the rules without full consideration by the committee with jurisdiction.

Mr. Speaker, I ask my colleagues to vote against this legislation today to show their opposition to these kinds of tactics. I stand ready to work with the Interior Committee on this issue.

Mr. LAGOMARSINO. Mr. Speaker, I reluctantly join my colleagues on the Interior Committee and in the House, as well as Governor Wilson, in opposing the motion offered by the gentleman from California [Mr. MILLER], to suspend the rules and disagree with the Senate amendment, with an amendment, on this measure.

I do so, Mr. Speaker, even though I support both H.R. 355 and H.R. 429, which would be amended into H.R. 355. Each of these measures contains very important legislation to amend the Warren Act to allow non-reclamation project water to be conveyed through Bureau of Reclamation facilities. H.R. 355 provides this authority on a temporary basis while H.R. 429 makes the relief permanent. This authority is needed by the city of Santa Barbara to regularize and facilitate plans now being made to bring State water to the city, which has suffered severe drought over the past 5 years. Absent this authority, the city could incur costs of millions of dollars just to use facilities which are already physically available and at hand. I know of no one, Mr. Speaker, who opposes this provision.

I also support the other provisions of H.R. 355 designed to provide drought relief to many areas of California. The problem I have with the motion of the chairman is that I am reliably advised that other amendments which the chairman is making to the bill could result in stalling the bill when it is returned to the Senate, making passage this year unlikely. I fear that tacking this controversial provision onto the Drought Relief Act would send the entire bill into limbo for the rest of this year.

Mr. Speaker, Santa Barbara needs this authority now. The city attorney estimates that it could cost the city $15 million if the Warren Act is not amended by the end of the year. Holding this and other provisions of H.R. 355 and H.R. 429 hostage to other unrelated, though well-intentioned amendments, will result in a stalemate and nothing will be passed this year. I support the gentleman's effort to work out reclamation reforms with the Senate, but I hope he will not use Santa Barbara's precarious financial situation to force the Senate to act. It simply will not work, because California only has 2 out of 100 Senators.

Mr. FAZIO. Mr. Speaker, I rise in reluctant opposition to consideration of the Senate bill, H.R. 355, the Reclamation States Emergency Drought Relief Act, under suspension of the rules. My reluctance arises because the chairman of the House Interior and Insular Affairs Committee, GEORGE MILLER, has chosen to add an amendment to H.R. 355 that would prohibit the Secretary from entering into any water contracts which exceed 3 years in length. The provision would apply to not only new water contracts, but to any renewal, extension, or amendment to an existing contract.

The amendment would be devastating to California agriculture. In the near-term, about 18,000 farmers in 65 water districts across the State would be affected. Such a restriction on water contracts would seriously jeopardize the ability of California farmers to obtain long-term capital financing and generally impair their overall ability to operate effectively.

Mr. Speaker, I am not opposed to the linkage of H.R. 429, the Reclamation Projects Authorization and Adjustment Act, to H.R. 355. I strongly support both bills. H.R. 429 authorizes a number of important projects to my State and my district. And, certainly, California and other Western States are in urgent need of the assistance included in the drought relief bill.

But I do oppose, in the strongest way possible, the addition of this contract restriction amendment in this manner. Neither the subcommittee nor the committee has considered this particular amendment. In fact, only today has it seen the light of day outside of the committee.

Such a major change in contracting procedures should be given more open and thorough review by the committee and this body. The chairman has some very legitimate concerns about the appropriate length of time of contracts. I stand ready to work with the chairman to see that his concerns are addressed in a timely and comprehensive manner.

Mr. CUNNINGHAM. Mr. Speaker, I realize the importance of H.R. 355, the Reclamation State Emergency Drought Relief Act, which is critical to the Western part of the United States entering our sixth year of drought. I was pleased to support H.R. 355 when we debated it in March and to support H.R. 429 in June. The need for drought relief is clear.

However, my friend from California, Congressman MILLER, has included language placing a moratorium on water service contracts entered into by the Bureau of Reclamation without notice. This would directly affect California's agriculture business which depends on long-term water contracts. The amending language could devastate the agriculture industry making it difficult or impossible to operate.

Although I strongly support the passage of drought relief, I cannot support legislation that has been brought to the House floor with an amendment that has not been examined, debated, or voted on in committee.

Mr. Speaker, it is imperative that we in Congress work together in solving the water needs and issues in the Western part of the United States. These goals can be attained through cooperative efforts rather than amendments that could wind up doing more damage to an already critical situation.

I urge my colleagues to vote against this bill, so that the Miller amendments can be deleted and we can speed drought relief to the farmers and ranchers of California.

The SPEAKER pro tempore (Mr. COLEMAN of Texas). All time has expired.

The question is on the motion offered by the gentleman from California [Mr. MILLER] that the House suspend the rules and agree to the resolution, House Resolution 282.

The question was taken.

Mr. LEHMAN of California. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

□ 1420

TELEPHONE ADVERTISING CONSUMER RIGHTS ACT

Mr. MARKEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1304) to amend the Communications Act of 1934 to regulate the use of telephones in making commercial solicitations, as amended.

The Clerk read as follows:

H.R. 1304

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 "Telephone Advertising Consumer Rights Act".

SEC. 2. FINDINGS.

The Congress finds that:

(1) The use of the telephone to market goods and services to the home and other businesses is now pervasive due to the increased use of cost-effective telemarketing techniques.

(2) Over 30,000 businesses actively telemarket goods and services to business and residential customers.

(3) More than 300,000 solicitors call more than 18,000,000 Americans every day.

(4) Total United States sales generated through telemarketing amounted to $435,000,000,000 in 1990, a more than four-fold increase since 1984.

(5) Unrestricted telemarketing, however, can be an intrusive invasion of privacy and, when an emergency or medical assistance telephone line is seized, a risk to public safety.

(6) Many consumers are outraged over the proliferation of intrusive, nuisance calls to their homes from telemarketers.

(7) Over half the States now have statutes restricting various uses of the telephone for marketing, but telemarketers can evade their prohibitions through interstate operations, therefore, Federal law is needed to control residential telemarketing practices.

(8) The Constitution does not prohibit restrictions on commercial telemarketing solicitations.

(9) Individuals' privacy rights, public safety interests, and commercial freedoms of speech and trade must be balanced in a way that protects the privacy of individuals and permits legitimate telemarketing practices.

SEC. 3. RESTRICTIONS ON THE USE OF TELEPHONE EQUIPMENT FOR ADVERTISING.

Title II of the Communications Act of 1934 is amended by inserting immediately after section 226 (47 U.S.C. 226) the following new section:

SEC. 227. RESTRICTIONS ON THE USE OF TELEPHONE EQUIPMENT FOR ADVERTISING.

"(a) DEFINITIONS.—As used in this section:

"(1) The term 'automatic telephone dialing systems' means equipment which has the capacity—

"(A) to store or produce telephone numbers to be called, using a random or sequential number generator;

"(B) to dial such numbers; and

"(C) to deliver, without initial live operator assistance, a prerecorded voice message to the number dialed, with or without manual assistance.

"(2) The term 'telephone facsimile machine' means equipment which as the capacity to do either or both of the following: (A) to transcribe text or images (or both) from paper into an electronic signal and to transmit that signal over a regular telephone line, or (B) to transcribe text or images (or both) from an electronic signal received over a regular telephone line onto paper.

"(3) The term 'telephone solicitation' means the initiation of a telephone call or message for the purpose of encouraging the purchase or rental of, or investment in, property, goods, or services, which is transmitted to any person (A) without that person's prior express invitation or permission, or (B) with whom the caller does not have an established business relationship. Such term does not include a call or message by a tax exempt nonprofit organization.

"(4) The term 'unsolicited advertisement' means any material advertising the commercial availability or quality of any property, goods, or services which is transmitted to any person (A) without that person's prior express invitation or permission, or (B) with whom the caller does not have an established business relationship.

"(b) RESTRICTIONS.—It shall be unlawful for any person within the United States by means of telephone—

"(1) to make any telephone solicitation in violation of the regulations prescribed by the Commission pursuant to subsection (c);

"(2) to use, to make any telephone solicitation, any telephone facsimile machine or any automatic telephone dialing system that does not comply with the technical and procedural standards prescribed under subsection (d), or to use, to make any telephone solicitation, any telephone facsimile machine or automatic telephone dialing system in a manner that does not comply with such standards;

"(3) to use any telephone facsimile machine, computer, or other device to send an unsolicited advertisement in violation of any regulations prescribed by the Commission pursuant to subsection (e);

"(4) to use any automatic telephone dialing system to make unsolicited calls—

"(A) to any emergency telephone line or pager of any hospital, medical physician or service office, health care facility, or fire protection or law enforcement agency; or

"(B) to any telephone number assigned to paging, specialized mobile radio, or cellular telephone service; or

"(5) to use a computer or other electronic device to send an unsolicited advertisement via a telephone facsimile machine unless such person clearly marks, in a margin at the top or bottom of each transmitted page of the advertisement or on the first page of each transmission, the date and time it is sent, an identification of the business sending the advertisement, and the telephone number of the sending machine or of such business.

"(c) PROTECTION OF SUBSCRIBER PRIVACY RIGHTS.—

"(1) RULEMAKING PROCEEDING REQUIRED.—Within 120 days after the date of enactment of this section, the Commission shall initiate a rulemaking proceeding concerning the need to protect residential telephone subscribers' privacy rights to avoid receiving telephone solicitations to which they object. The proceeding shall—

"(A) compare and evaluate alternative methods and procedures (including the use of electronic databases, telephone network technologies, special directory markings, industry-based or company-specific 'do not call' systems, and any other alternatives, individually or in combination) for their effectiveness in protecting such privacy rights, and in terms of their cost and other advantages and disadvantages;

"(B) evaluate the categories of public and private entities that would have the capacity to establish and administer such methods and procedures;

"(C) consider whether different methods and procedures may apply for local telephone solicitations, such as local telephone solicitations of small businesses or holders of second class mail permits;

"(D) consider whether there is a need for additional Commission authority to further restrict telephone solicitations, including those calls exempted under subsection (a)(3) of this section, and, if such a finding is made and supported by the record, propose specific restrictions to the Congress; and

"(E) develop proposed regulations to implement the methods and procedures that the Commission determines are most effective and efficient to accomplish the purposes of this section.

"(2) REGULATIONS.—Not later than 240 days after the date of enactment of this section, the Commission shall conclude the rulemaking proceeding initiated under paragraph (1) and shall prescribe regulations to implement methods and procedures for protecting the privacy rights described in such paragraph in an efficient, effective, and economic manner and without the imposition of any additional charge to telephone subscribers.

"(3) USE OF DATABASE PERMITTED.—The regulations required by paragraph (2) may require the establishment and operation of a single national database to compile a list of telephone numbers of residential subscribers who object to receiving telephone solicitations, or to receiving certain classes or categories of telephone solicitations, and to make that compiled list available for purchase. If the Commission determines to require such a database, such regulations shall—

"(A) specify a method by which the Commission will select an entity to administer such database;

"(B) require each common carrier providing telephone exchange service, in accordance with regulations prescribed by the Commission, to inform subscribers for telephone exchange service of the opportunity to provide notification, in accordance with regulations established under this paragraph, that such subscriber objects to receiving telephone solicitations;

"(C) specify the methods by which each telephone subscriber shall be informed, by the common carrier that provides local exchange service to that subscriber, of (i) the subscriber's right to give or revoke a notification of an objection under subparagraph (A), and (ii) the methods by which such right may be exercised by the subscriber;

"(D) specify the methods by which such objections shall be collected and added to the database;

"(E) prohibit any residential subscriber from being charged for giving or revoking such notification or for being included in a database compiled under this section;

"(F) prohibits any person from making or transmitting a telephone solicitation to the telephone number of any subscriber included in such database;

"(G) specify (i) the methods by which any person desiring to make or transmit telephone solicitations will obtain access to the database, by area code or local exchange prefix, as required to avoid calling the telephone numbers of subscribers included in such database; and (ii) the costs to be recovered from such person;

"(H) specify the methods for recovering, from persons accessing such database, the

costs involved in notifying, collecting, updating, disseminating, and selling, and other activities relating to, the operations of the database that are incurred by the entities carrying out those activities;

"(I) specify the frequency with which such database will be updated and specify the method by which such updating will take effect for purposes of compliance with subsection (b);

"(J) be designed to enable and require States to use the database mechanism selected by the Commission for purposes of administering or enforcing State law;

"(K) prohibits the use of such database for any purpose other than compliance with the requirements of this section and any such State law and specify methods for protection of the privacy rights of persons whose numbers are included in such database; and

"(L) require each common carrier providing services to any person for the purpose of making telephone solicitations to notify such person of the requirements of this section and the regulations thereunder.

"(4) CONSIDERATIONS REQUIRED FOR USE OF DATABASE METHOD.—If the Commission determines to require the database mechanism described in paragraph (3), the Commission shall—

"(A) in developing procedures for gaining access to the database, consider the different needs of telemarketers conducting business on a national, regional, State, or local level;

"(B) develop a fee schedule or price structure for recouping the cost of such database that recognizes such differences and—

"(i) reflect the relative costs of providing a national, regional, State, or local list of phone numbers of subscribers who object to receiving telephone solicitations;

"(ii) reflect the relative costs of providing such lists on paper or electronic media; and

"(iii) not place an unreasonable financial burden on small businesses; and

"(C) consider (i) whether the needs of telemarketers operating on a local basis could be met through special markings of area white pages directories, and (ii) if such directories are needed as an adjunct to database lists prepared by area code and local exchange prefix.

"(d) TECHNICAL AND PROCEDURAL STANDARDS.—

"(1) TELEPHONE FACSIMILE MACHINES.—The Commission shall revise the regulations setting technical and procedural standards for telephone facsimile machines to require that any such machine which is manufactured after 6 months after the date of enactment of this section clearly marks, in a margin at the top of the bottom of each transmitted page or on the first page of each transmission, the date and time sent, an identification of the business or other entity sending the advertisement, and the telephone number of the sending machine or of such business. The Commission shall exempt from such standards, for 12 months after such date of enactment, telephone facsimile machines that do not have the capacity for automatic dialing and transmission and that are not capable of operation through an interface with a computer.

"(2) AUTOMATIC TELEPHONE DIALING SYSTEMS.—The Commission shall prescribe technical and procedural standards for automatic telephone dialing systems that are used to transmit any prerecorded telephone solicitation. Such standards shall require that—

"(A) all prerecorded telephone messages (i) shall, at the beginning of the message, state clearly the identity of the business or other entity initiating the call, and (ii) shall, during or after the message, state clearly the telephone number or address of such business or other entity; and

"(B) such systems will, as soon as is technically practicable (given the limitations of the telephone exchange service facilities) after the called party hangs up, automatically create a disconnect signal or on-hook condition which allows the called party's line to be released.

"(e) CONSIDERATION OF FACSIMILE MACHINE RESTRICTIONS.—Within 120 days after the date of enactment of this section, the Commission shall initiate a rulemaking proceeding to prescribe rules to restrict the use of any telephone facsimile machine or computer or other electronic device to send any unsolicited advertisement to the telephone facsimile machine of any person. In establishing such restrictions, the Commission shall consider—

"(1) the extent to which unsolicited advertisements are transmitted through telephone facsimile machines;

"(2) the extent to which recipients of such advertisements incur costs for such receipt; and

"(3) the most cost effective methods of preventing advertising abuses with telephone facsimile machines.

"(f) EFFECT ON STATE LAW.—

"(1) STATE LAW NOT PREEMPTED.—Nothing in this section or in the regulations prescribed under this section shall preempt any State law that imposes more restrictive intrastate requirements or regulations on, or which prohibits, either or both of the following:

"(A) The use of telephone facsimile machines or other electronic devices to send unsolicited advertisements.

"(B) The use of automatic telephone dialing systems to transmit prerecorded telephone solicitations.

"(2) STATE REGULATION OF TELEPHONE SOLICITATIONS.—If, pursuant to subsection (c), the Commission requires the establishment of a database of telephone numbers of subscribers who object to receiving telephone solicitations or a functionally equivalent methods or procedures of Federal regulation, a State or local authority may not develop any different database or system for use in the regulation of telephone solicitations and may not enforce restrictions on telephone solicitations in any manner that is not based upon the requirements imposed by the Commission.

"(3) STATE ENFORCEMENT PERMITTED.—Nothing in this section or in the regulations prescribed under this section shall prohibit the segmentation of the database or functionally equivalent method or procedure for use by State or local authorities, nor preempt any State or local authority from creating mechanisms to enforce compliance with the database or functionally equivalent system, or a segment thereof.

"(g) EFFECTIVE DATE OF REQUIREMENTS.—The requirements of this section shall take effect 30 days after the date that regulations are prescribed under subsection (c).".

SEC. 4. CONFORMING AMENDMENT.

Section 2(b) of the Communications Act of 1934 is amended by striking "Except as provided" and all that follows through "and subject to the provisions" and inserting "Except as provided in sections 223 through 227, inclusive, and subject to the provisions".

SEC. 5. ALLOCATION OF AM RADIO FREQUENCIES.

Section 331 of the Communications Act of 1934 is amended—

(1) by striking the heading of such section and inserting the following:

"FREQUENCY ALLOCATION POLICIES";

(2) by inserting "(a) VERY HIGH FREQUENCY STATIONS.—after "Sec. 331."; and

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

"(b) AM RADIO FREQUENCIES.—It shall be the policy of the Commission, in any case in which the licensee of an existing AM daytime-only station located in a community with a population of more than 100,000 persons that lacks a local fulltime aural station licensed to that community and that is located in or adjacent to a major metropolitan market notifies the Commission that such licensee seeks to migrate to a new frequency, for the Commission to ensure that such a licensee receives an allotment or assignment to such a new frequency, if technically feasible.".

The SPEAKER pro tempore (Mr. COLEMAN of Texas). Pursuant to the rule, the gentleman from Massachusetts [Mr. MARKEY] will be recognized for 20 minutes, and the gentleman from New Jersey [Mr. RINALDO] will be recognized for 20 minutes.

The Chair now recognizes the gentleman from Massachusetts [Mr. MARKEY].

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

Mr. Speaker, today the House will consider H.R. 1304, the Telephone Advertising Consumer Rights Act, which currently has 62 cosponsors. This legislation, which I introduced with the gentleman from New Jersey [Mr. RINALDO], will finally give the public an opportunity to just say "no" to unsolicited phone or facsimile advertisements.

Our legislation gives the public a fighting chance to start to curtail these unwanted practices by requiring the FCC to conduct a rulemaking and weigh alternative methods for protecting consumers' privacy rights and to put them in place before our home telephones become the receptacles of junk calls in the same way that junk mail often inundates our mailboxes.

Today in America, more than 300,000 solicitors make more than 18 million calls every day in the United States, while some 75,000 stock brokers make 1.5 billion telemarketing calls a year. Automatic dialing machines, on the other hand, have the capacity to call 20 million Americans during the course of a single day with each individual machine delivering a prerecorded message to 1,000 homes.

In addition, automatic dialing machines place calls randomly, meaning they sometimes call unlisted numbers or numbers for hospitals, police, and fire stations—causing public safety problems. Our bill, H.R. 1304, would prohibit advertising calls to public safety numbers as well as to paging, specialized mobile radio, and cellular equipment.

In the final analysis, a person's home is his castle. Preservation of the tranquility and privacy of that castle should compel us to avail consumers of the opportunity to place the telephone

line into their home—the sanctuary from which they escape all the other trials that society (and Congress) cause them—off limits to intrusive and annoying interruptions. I believe that telemarketing can be a powerful and effective business tool but the nightly ritual of phone calls to the home from strangers and robots has many Americans fed up.

The legislation before us today incorporates a number of changes to give the Commission greater latitude in weighing alternatives for protecting consumers, such as special asterisk markings in the telephone white pages, network technologies, industry and company-based don't-call-me lists, as well as an electronic database. The aim of this legislation is not to eliminate the brave new world of telemarketing but rather to secure an individual's right to privacy that might be unintentionally intruded upon by those new technologies.

For this reason the legislation addresses unsolicited commercial telemarketing to residential subscribers. If a call is being made for purposes other than for a commercial solicitation, then it is not regulated under this bill. In the context of the legislation, a telephone solicitation is a call to encourage the purchase or rental of, or investment in, property, goods, or services. If, for instance, an autodialer is placing calls to inform delinquent borrowers that a loan is past due, it is not considered a telephone solicitation because the call is not being placed to pitch a sale or product. Likewise, if an organization is using an autodialer to inform telephone subscribers of an impending electrical power test, or to forward a voice mail message, these are not considered commercial solicitations and therefore are not restricted in any way by this legislation.

Incorporated in the substitute is language remedying a situation that has long been a concern to the gentleman from New Jersey. Specifically, the substitute will help to ensure the provision of full time AM radio service in presently underserved markets.

I believe we have put together consensus piece of legislation, one that reflects a narrow approach to address what the committee record indicates is of greatest concern to consumers. I want to thank the gentleman from New Jersey [Mr. RINALDO] for his leadership, cooperation, and steadfast support for this bill. I urge all my colleagues to support the legislation.

Mr. Speaker, I yield such time as he may consume to the gentleman from New Mexico [Mr. RICHARDSON] for a colloquy.

Mr. RICHARDSON. Mr. Speaker, I rise in support of H.R. 1304 and would like to commend the distinguished chairman and ranking member of the subcommittee for their work on this legislation. Their leadership has helped produce a bill that ensures that the American people will be protected from the unwelcome intrusion of unsolicited telephone advertising. I would like to thank both gentleman for crafting a final product that is balanced and protects the consumer.

There are two points, however, that I believe need some clarification. Is it your understanding that this legislation is not intended to prevent the use of automated telephone dialing systems to protect the health and safety of the public?

Mr. MARKEY. The gentleman has raised a good point. There is no intent to prevent the use of telephone dialing systems for the public good. The use of automated dialing systems by public and private entities to alert the public to weather emergencies, chemical spills, and other public health and safety threats is desirable. This legislation will not limit the use of telephone dialing systems for this purpose.

Mr. RICHARDSON. I thank the chairman for that clarification and would also like to ask him if it is also his understanding that this legislation is not intended to prevent automated dialing systems from notifying hospitals, and fire and police protection agencies of emergency situations.

Mr. MARKEY. Mr. Speaker, reclaiming my time, the gentleman is correct. I want to thank the gentleman from New Mexico [Mr. RICHARDSON] for helping us in the legislation, in crafting it in a fashion that ensures that those areas are in fact isolated and ensures that the telephone communications technology will be used in order to advance public health and safety interests in those instances, as opposed to the way in which the technology is often used.

Mr. Speaker, in addition to the gentleman from New Mexico [Mr. RICHARDSON], I would also like at this point to thank the gentleman from Tennessee [Mr. COOPER], who worked long and hard with us on this legislation, and the gentlewoman from New Jersey [Mrs. ROUKEMA], who basically approached us 2 years ago with a problem that her husband, a physician, was having with this very situation in which telephone calls would in fact make it impossible for him to be able to clear his line because they could not be interrupted.

Mr. Speaker, when I brought that problem home to my wife, who also happens to be a physician, there was a meeting of the minds, and the position of the gentlewoman from New Jersey [Mrs. ROUKEMA] immediately found acceptance in our house.

Mr. Speaker, I would also like to thank the gentleman from New Jersey [Mr. RINALDO] for his work on this legislation. The gentleman introduced a piece of legislation 2 years ago, much of which is incorporated in this legislation as well. I would like to thank the gentleman from Connecticut [Mr. SHAYS], the gentleman from California [Mr. STARK], and the gentlewoman from the State of Washington [Mrs. UNSOELD], all of whom have worked with us in the committee to produce this piece of legislation.

Mr. Speaker, of course, this is a piece of legislation which the full committee chairman, the gentleman from Michigan [Mr. DINGELL], worked on for these 2 years as well. I think this is a tribute, once again, to the fine working relationship which does exist on the Committee on Energy and Commerce and our subcommittee.

Mr. Speaker, in conclusion I want to thank once again the gentleman from New Jersey [Mr. RINALDO]. This bill is a tribute to that working relationship and is further proof that, with the exception of the banking bill, the gentleman and I have seen eye to eye on every other piece of legislation coming out of the committee for 5 years.

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

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

Mr. Speaker, I urge my colleagues to join me in supporting H.R. 1304, the Telephone Advertising Consumer Rights Act.

This bill addresses widespread concern about the increasing abuses associated with automatic dialers, junk fax machines, and unwanted telephone solicitations. Under H.R. 1304, those who use automatic dialers would be prohibited from using those dialers to make computer-generated calls to emergency lines or pagers at health care facilities, fire protection, or law enforcement agencies, and any paging or cellular telephone number.

In addition to addressing these serious health and safety concerns, the bill would enable consumers to avoid unwanted, unsolicited calls from autodialers. The bill directs the commission to consider the most effective and efficient method of allowing telephone subscribers to avoid such calls. Specifically, the commission must consider an electronic data base, special directory markings, industry-based or company-specific do-not-call systems, as well as other alternative solutions to the problem of unsolicited calls.

In considering this important legislation, the subcommittee realized that many legitimate businesses use autodialers and fax machines without annoying consumers. Thus, the bill makes particular exceptions to the requirements. For example, the bill exempts businesses that have a preestablished relationship with a customer. It also exempts nonprofit organizations. In addition, whatever solution the FCC selects would be limited to residential customers because the record developed in the Energy and Commerce Committee demonstrated that these undesired telephone solicita-

tions are particularly prevalent and intrusive in residences.

To ensure a uniform approach to this nationwide problem, H.R. 1304 would preempt inconsistent State law. From the industry's perspective, preemption has the important benefit of ensuring that telemarketers are not subject to two layers of regulation.

Finally, this bill promotes the allocation of fulltime AM radio channels to medium-sized cities located in or adjacent to major metropolitan markets and which lack a fulltime AM station.

Overall, Mr. Speaker, H.R. 1304 represents a proconsumer response to an increasingly nettlesome problem: Unsolicited calls from autodialers, junk fax machines, and unsolicited commercial callers.

□ 1430

I would like to particularly thank the chairman of the subcommittee, the gentleman from Massachusetts [Mr. MARKEY], for once again the majority and minority worked very closely together to fashion this piece of legislation. It was only through his dedication, his very hard efforts, that we were able to come to grips with this problem in a manner that benefits all the affected parties.

I feel it is a very, very good bill. We worked closely together on it.

I also want to thank the chairman of the full committee, my good friend, the gentleman from Michigan [Mr. DINGELL], and the ranking minority member, my other good friend, the gentleman from New York [Mr. LENT], for their work in this important bipartisan piece of legislation.

I urge my colleagues to support this important measure.

Mr. Speaker, I yield 2 minutes and 30 seconds to the gentlewoman from New Jersey [Mrs. ROUKEMA], a distinguished colleague from my home State who has really exhibited a tremendous amount of leadership on this issue, who brought the problem to the attention of our subcommittee, and who is one of the Members who were in on this project very early on and has been very conscientious and unrelenting in her desire to see this situation resolved.

Mrs. ROUKEMA. Mr. Speaker, I rise today in support of H.R. 1304, the Telephone Advertising Consumer Rights Act. I also want to thank the distinguished chairman of the Subcommittee on Telecommunications and Finance, Mr. MARKEY, and the distinguished ranking member, my colleague from New Jersey, Mr. RINALDO, for their persistence on this issue and for bringing this much-needed legislation again before the House.

Telecommunications and computer technology advances have made information exchange easier, and brought our Nation and the world closer together. However, as with any vital technology, telecommunications and computer equipment may be used in a counterproductive and abusive fashion.

Today, we unfortunately find that automatic - dialing - recorded - message players are being used in record numbers to systematically solicit unsuspecting and unwilling residential and commercial telephone subscribers. This practice is an unwarranted invasion of privacy, and it can be dangerous and life threatening. This Congress can no longer stand by the wayside and allow telephones to become a potential health hazard.

I am sure my colleagues have heard many complaints about computer-generated phone calls from their constituents. In my case, I have been contacted by a number of physicians in my district who have justifiably complained that their office emergency lines, typically reserved for critical cases, are being clogged with unsolicited computer calls. One of these physicians also happens to be my husband, Dr. Richard W. Roukema, who has repeatedly suffered this problem on his phone lines reserved for emergency calls from the hospital. I especially appreciate the support of Chairman MARKEY in this respect. His wife, also a practicing physician, understood the problem immediately.

This is harassment.

Computer calls are also harrassing police and fire emergency numbers. This problem is particularly serious when the computer-generated call will not disconnect and free-up the phone line until after its message has been completed. Mr. Speaker, this practice must stop before lives are lost.

H.R. 1304 contains a provision which prohibits computer-generated calls to emergency phone lines or pagers at hospitals, physicians' or medical service officers, health care facilities, and fire protection and law enforcement agencies.

Yet, as alluded to earlier, it is not just calls to doctors' offices or police and fire stations that pose a public health hazard. I have previously recounted the story of a New York mother who tried to call an ambulance for her injured child, and the sheer terror she experienced when she picked up her phone only to find occupied by a computer call that would not disconnect. Luckily, this story had a happy ending, and the injured child survived, but Mr. Speaker, let us not wait for next time.

H.R. 1304 also contains a provision requiring computer-generated calls to disconnect as soon as the receiver seeks to terminate the message. This is a commonsense provision which ensures the safety of telephone customers, who may have received unsolicited and unwanted computer-generated calls.

H.R. 1304 protects the privacy of telephone subscribers by allowing those citizens who object to receiving computer-generated phone calls to add their names to a national data base, or a comparable substitute as determined by the FCC. This is a key provision, which finally guarantees telephone subscribers freedom from unwanted intrusions into their privacy.

In closing, Mr. Speaker, computers, telephones, cellular telephones, fax machines, and automatic-dialing-recorded-message-player systems are here to day. However, these technologies must not become a threat to the privacy, safety, and well-being of the public. H.R. 1304 takes a major step forward in this regard, and I urge my colleagues to vote for this desperately needed legislation.

Mr. RINALDO. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Speaker, I rise today in strong support of H.R. 1304, the Telephone Advertising Consumer Rights Act.

Over the years, I have heard an increasing number of complaints from constituents who have been harassed by unsolicited sales calls using automatic-dialer-recorded-message players. I can most certainly understand their objection to this type of solicitation—it is an intrusion into the privacy of one's home.

In one of the worst accounts I have heard, one woman in my district told me that "she hung up, but the machine didn't." The machine kept dialing until she was forced to take her phone off the hook. Without question, this is annoying, but it can also be dangerous when the line being dialed is at a police or fire department, or an emergency line at a health care facility.

H.R. 1304 addresses this problem by prohibiting automatic-dialer-recorded-message players from making unsolicited calls to these emergency lines. In addition, this bill provides some relief to private consumers by prohibiting such calls to beepers and cellular phones, and requiring all ADRMP and fax users to clearly identify themselves to the receiver. The FCC is also required to establish a plan for recording names and addresses of individuals who object to receiving unsolicited calls and faxes, and assessing penalties to companies which continue to contact them.

Mr. Speaker, it is important that the use of automatic-dialer-recorded-message players be regulated. H.R. 1304 is a step in the right direction, and I urge my colleagues to give this bill their strong support.

Mr. MARKEY. Mr. Speaker, I yield such time as he may consume to the gentleman from Tennessee [Mr. COOPER].

Mr. COOPER. Mr. Speaker, I thank the distinguished chairman of the subcommittee for yielding time to me.

I would like to add my congratulations on his outstanding leadership in this important piece of consumer legis-

lation. I would also like to thank the distinguished ranking member, the gentleman from New Jersey [Mr. RINALDO] for his great contribution to this effort.

Mr. Speaker, I rise today in support of this legislation, and I would like to engage the subcommittee chairman in a brief colloquy to clarify three points.

Before I do, let me say that I'm sure nearly everyone in this Chamber and most of the people we represent have been bothered by an unwanted, unsolicited, annoying telemarketing call—probably at dinner. At the same time, there are some incoming telemarketing calls we may not have minded so much and some that were even helpful. The unwanted calls are tainting the wanted ones, making some consumers skeptical about answering the phone around dinnertime. This is becoming a classic case of the bad apples spoiling the whole barrel.

Under Chairman MARKEY's able leadership, the Subcommittee on Telecommunications and Finance crafted this bill in an attempt to protect consumers from the annoying calls but not restrict their ability to get the calls they want. I'm hopeful that our bill gives the Federal Communications Commission the tools it needs to do this job. And I want to make sure we do not send them confusing signals on how to implement this statute.

Chairman MARKEY, my first point is to clarify the intent of section 3(c) of the bill. It directs the Commission to utilize the regulatory program most cost-effective in solving telemarketing problems. Under subsection (c)(1), the FCC will compare and evaluate electronic databases, telephone network technologies, special directory markings, industry-based or company-specific do-not-call systems, as well as other mechanisms or combinations of systems. Then under subsection (c)(2), the FCC must implement the best of the regulatory programs it has evaluated.

The next subsection of the bill gives the Commission some detailed guidance on just how the electronic database option is envisioned to work. It was my understanding that this detail was not added so as to prejudice the Commission so that it would pick the electronic database option. I, for one, think the national database has serious shortcomings for consumers when compared to the do-not-call option. Is the intent here to give the Commission full latitude to consider every option and not to prejudge the solution?

Mr. MARKEY. If the gentleman will yield, I would say to the gentleman that the intent here is to allow the Commission to evaluate and utilize every tool that it needs to protect consumers the most cost-effectively. The intent is that the FCC select the method that is the most effective, efficient, and economic.

Mr. COOPER. I mention this because I am worried that the committee report, in its zest for explaining the electronic database option, might be misread to presume a preference for that option. The database certainly has some advantages, but it has its drawbacks, too. It is a far-reaching approach, which would not enable consumers to get calls from telemarketers unless they have an established business relationship. This approach makes the consumer stop calls from all those companies with which they have no connection, even if the consumer might want such calls. The company-specific do-not-call options do not have this shortcoming. They maximize consumer choice, and they can be implemented much more quickly. Given the magnitude of consumer anger on this issue, I think speed is of the essence.

My second point relates specifically to the company-specific do-not-call list option. It gives consumers the freedom to choose which types of calls they want to receive and which they do not. Companies would be required to retain in-house lists of consumers who do not wish to be called again. If this approach is mandatory, I want to clarify that it would be functionally equivalent to the national database for purposes of preemption. This is important from the consumer perspective, again, for getting speedy resolution of these problems.

Mr. MARKEY. As to the second point, the gentleman describes some of the merits of the do-not-call lists. This is right that if the preemptive effect would be the same.

Mr. COOPER. Finally, I want to address the provision that authorizes the Commission to adopt special methods and procedures for local telephone solicitations such as small businesses and holders of second-class mail permits. I strongly support this provision.

While the committee cites two specific examples of who might fit this description, am I correct is my understanding that any company conducting a primarily local telephone solicitation might be included in this category? For example, a fine Tennessee company, Olen Mills, has numerous photography studios in different States. However, each location generally conducts it solicitations directly from the studio on a local basis. These businesses are part of the local community. Nearly all of their calls are local in nature, and rarely cross State boundaries unless the studio is located in a community near a State line. Am I correct in believing that this is also the kind of business meant by the committee to be considered under this provision?

Mr. MARKEY. Once again, if the gentleman will yield, Yes, he is correct in his analysis.

Mr. COOPER. Again, I thank the chairman for his leadership on this very important consumer issue, and with these clarifications I certainly urge my colleagues to wholeheartedly and enthusiastically support the bill.

Mr. LENT. Mr. Speaker, I urge my colleagues to support H.R. 1304, the Telephone Advertising Consumer Rights Act.

This is an important piece of legislation designed to address various consumer concerns without unnecessarily burdening the telemarketing industry. I recognize the telemarketers concern that Congress should not, in effect, throw the baby out with the bathwater.

In most cases, telemarketing is an effective means of reaching many consumers in a legitimate fashion. Recognizing the legitimacy of the industry, the bill exempts certain types of telemarketing. For example, the bill exempts businesses that have a preestablished relationship with a customer. The bill also exempts nonprofit organizations. Essentially, I believe this legislation represents a fair and equitable solution to a problem that continues to grow.

While the telemarketing industry is legitimately concerned about being subject to excessive regulation, I also believe that the Nation's consumers have a legitimate concern regarding privacy. H.R. 1304 balances both of these concerns, and I urge my colleagues to join me in supporting the bill.

□ 1440

Mr. MFUME. Mr. Speaker, I rise in support of H.R. 1304, the Telephone Advertising Consumer Rights Act, a bill that protects the unsuspecting public from intrusive and unwanted computer-generated phone calls. The ever-increasing onslaught of such sales and marketing calls in Baltimore and elsewhere has become an aggravating, ever-increasing problem. Citizens are besieged by these calls at their places of work, and again at their homes. Escape from these unsolicited interruptions seems futile. Not even the phone lines or pagers of emergency services—lines which must be kept accessible for reasons of public health and safety—are immune to the growing number of aggressive telemarketing companies.

H.R. 1304 will bring welcome relief from the plague wrought by automatic dialer-recorded message players and fax junk mail. Much-needed restrictions will at last be imposed upon those who insist on marketing their goods and services in a most irritating and inconsiderate manner. Finally, consumers will be able to "hang up" on telephone solicitors.

Some say we are in the dawn of the information age, and that the continuing evolution of telecommunications technology will yield advances we cannot yet envision. Given the profit-driven exploitation of unsuspecting consumers, the creation of consumer safeguards in telecommunications must accompany that evolution.

The next 120 days, when the Federal Communications Commission will complete a rulemaking process to evaluate alternatives for protecting residential telephone subscribers from unwanted telephone solicitation, represent a positive step in shielding consumers from undesired calls and faxes. The next 8 months, in which the FCC will issue final regulations to establish such a protective system,

will bring us even closer to this goal. When the privacy protection system is finally established, consumers will be freed from the subtle but persistent harassment of unwelcome fax and phone ads.

Legitimate solicitations—those allowable under an established business relationship rule—will not be prohibited from reaching those persons that are customers by choice. Credit card companies, distributors of publications and cable television franchises, and retail and service providers patronized by a consumer, may all continue their legitimate telemarketing efforts. Furthermore, tax-exempt nonprofit organizations, including charitable and political organizations, may maintain their public outreach efforts via the telephone. Legitimate survey efforts—those involving public opinion polling, and consumer or market surveys—will also be exempt from the restrictions of H.R. 1304.

Consumers may ask, "Will I have to pay yet another fee for a service regarding my telephone?" Fortunately, consumers will not have to shoulder the financial burden of their own self-protection against harassment conveyed over their telephone lines. Rather, the costs of maintaining the consumer's privacy will be absorbed by the telemarketing firms. Technology may be used to curb its own abuses. For example, electronic databases may be established to alert companies to those who do not want their phone to become a profit-generating tool for others. Perhaps an even simpler, less technological approach will be utilized to alert aggressive sales operations to a consumer's disinterest in telemarketing efforts.

As we proceed ever further into the information age we must separate beneficial applications of our scientific advances from those which are malignant. H.R. 1304 represents a common sense, consumer oriented policy which does not infringe on reasonable business practices nor discourage the development of technologies beneficial in the marketplace.

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

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

The SPEAKER pro tempore (Mr. COLEMAN of Texas). The question is on the motion offered by the gentleman from Massachusetts [Mr. MARKEY] that the House suspend the rules and pass the bill, H.R. 1304, as amended.

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

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MARKEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

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

There was no objection.

METROPOLITAN WASHINGTON AIRPORTS ACT AMENDMENTS OF 1991

Mr. OBERSTAR. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3762) to amend the Metropolitan Washington Airports Act of 1986 to modify the composition of the Board of Review of the Metropolitan Washington Airports Authority, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3762

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

SECTON 1. SHORT TITLE.

This Act may be cited as the "Metropolitan Washington Airports Act Amendments of 1991".

SEC. 2. BOARD OF REVIEW.

(a) COMPOSITION.—Section 6007(f)(1) of the Metropolitan Washington Airports Act of 1986 (49 U.S.C. App. 2456(f)(1)) is amended to read as follows:

"(1) COMPOSITION.—The board of directors shall be subject to review of its actions and to requests, in accordance with this subsection, by a Board of Review of the Airports Authority. The Board of Review shall be established by the board of directors to represent the interests of users of the Metropolitan Washington Airports and shall be composed of 9 members appointed by the board of directors as follows:

"(A) 4 individuals from a list provided by the Speaker of the House of Representatives.

"(B) 4 individuals from a list provided by the President pro tempore of the Senate.

"(C) 1 individual chosen alternately from a list provided by the Speaker of the House of Representatives and from a list provided by the President pro tempore of the Senate.

In addition to the recommendations on a list provided under this paragraph, the board of directors may request additional recommendations."

(b) TERMS AND QUALIFICATIONS.—Section 6007(f)(2) of such Act is amended to read as follows:

"(2) TERMS, VACANCIES, AND QUALIFICATIONS.—

"(A) TERMS.—Members of the Board of Review appointed under paragraph (1)(A) and (1)(B) shall be appointed for terms of 6 years. Members of the Board of Review appointed under paragraph (1)(C) shall be appointed for terms of 2 years. A member may serve after the expiration of that member's term until a successor has taken office.

"(B) VACANCIES.—A vacancy in the Board of Review shall be filled in the manner in which the original appointment was made. Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of such term.

"(C) QUALIFICATIONS.—Members of the Board of Review shall be individuals who have experience in aviation matters and in addressing the needs of airport users and who themselves are frequent users of the Metropolitan Washington Airports. A member of the Board of Review shall be a registered voter of a State other than Maryland, Virginia, or the District of Columbia.

"(D) EFFECT OF MORE THAN 4 VACANCIES.—At any time that the Board of Review established under this subsection has more than 4 vacancies and lists have been provided for appointments to fill such vacancies, the Airports Authority shall have no authority to perform any of the actions that are required by paragraph (4) to be submitted to the Board of Review.".

(c) PROCEDURES.—Section 6007(f)(3) of such Act is amended by inserting "and for the selection of a Chairman" after "proxy voting".

(d) REVIEW PROCEDURE.—

(1) ACTIONS SUBJECT TO REVIEW.—Section 6007(f)(4)(B) of such Act is amended—

(A) by inserting "and any amendments thereto" before the semicolon at the end of clause (i);

(B) by inserting "and an annual plan for issuance of bonds and any amendments to such plan" before the semicolon at the end of clause (ii);

(C) in clause (iv) by striking ", including any proposal for land acquisition; and" and inserting a semicolon;

(D) by striking the period at the end of clause (v) and inserting a semicolon; and

(E) by adding at the end the following new clauses:

"(vi) the award of a contract (other than a contract in connection with the issuance or sale of bonds which is executed within 30 days of the date of issuance of the bonds) which has been approved by the board of directors of the Airports Authority;

"(vii) any action of the board of directors approving a terminal design or airport layout or modification of such design or layout; and

"(viii) the authorization for the acquisition or disposal of land and the grant of a long-term easement.".

(2) RECOMMENDATIONS.—Section 6007(f)(4) of such Act is amended by striking subparagraphs (C) and (D) and inserting the following new subparagraphs:

"(C) RECOMMENDATIONS.—The Board of Review may make to the board of directors recommendations regarding an action within either (i) 30 calendar days of its submission under this paragraph; or (ii) 10 calendar days (excluding Saturdays, Sundays, and holidays, and any day on which neither House of Congress is in session because of an adjournment sine die, a recess of more than 3 days, or an adjournment of more than 3 days) of its submission under this paragraph; whichever period is longer. Such recommendations may include a recommendation that the action not take effect. If the Board of Review does not make a recommendation in the applicable review period under this subparagraph or if at any time in such review period the Board of Review decides that it will not make a recommendation on an action, the action may take effect.

"(D) EFFECT ON RECOMMENDATION.—

"(i) RESPONSE.—An action with respect to which the Board of Review has made a recommendation in accordance with subparagraph (C) may only take effect if the board of directors adopts such recommendation or if the board of directors has evaluated and responded, in writing, to the Board of Review with respect to such recommendation and transmits such action, evaluation, and response to Congress in accordance with clause (ii) and the 60-calendar day period described in clause (ii) expires.

"(ii) NONADOPTION OF RECOMMENDATION.—If the board of directors does not adopt a recommendation of the Board of Review regarding an action, the board of directors shall transmit to the Speaker of the House of Representatives and the President of the Senate a detailed description of the action, the recommendation of the Board of Review regard-

ing the action, and the evaluation and response of the board of directors to such recommendation, and the action may not take effect until the expiration of 60 calendar days (excluding Saturday, Sundays, and holidays, and any day on which neither House of Congress is in session because of an adjournment sine die, a recess of more than 3 days, or an adjournment of more than 3 days) beginning on the day on which the board of directors makes such transmission to the Speaker of the House of Representatives and the President of the Senate.

"(E) LIMITATION ON EXPENDITURES.—Unless an annual budget for a fiscal year has taken effect in accordance with this paragraph, the Airports Authority may not obligate or expend any money in such fiscal year, except for (i) debt service on previously authorized obligations, and (ii) obligations and expenditures for previously authorized capital expenditures and routine operating expenses.".

"(3) CONFORMING AMENDMENT.—Section 6007(f)(4) of such Act is further amended by striking "DISAPPROVAL PROCEDURE.—" and inserting "REVIEW PROCEDURE.—".

"(e) CONGRESSIONAL DISAPPROVAL PROCEDURE.—Section 6007(f) of such Act is amended by redesignating paragraphs (5), (6), (7), and (8) as paragraphs (6), (7), (8), and (9), respectively, and by inserting after paragraph (4) the following new paragraph:

"(5) CONGRESSIONAL DISAPPROVAL PROCEDURE.—

"(A) IN GENERAL.—This paragraph is enacted by Congress—

"(i) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such these provisions are deemed a part of the rule of each House, respectively but applicable only with respect to the procedure to be followed in that House in the case of resolutions described by this paragraph; and they supersede other rules only to the extent that they are inconsistent therewith; and.

"(ii)—with full recognition of the constitutional right of either House to change the rule (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

"(B) RESOLUTION DEFINED.—For the purpose of this paragraph, the term 'resolution' means only a joint resolution, relating to an action of the board of directors transmitted to Congress in accordance with paragraph (4)(D)(ii), the matter after the resolving clause of which is as follows: 'That the Congress disapproves of the action of the board of directors of the Metropolitan Washington Airports Authority described as follows: ———.', the blank space therein being appropriately filled. Such term does not include a resolution which specifies more than one action.

"(C) REFERRAL.—A resolution with respect to a board of director's action shall be referred to the Committee on Public Works and Transportation of the House of Representatives, or the Committee on Commerce, Science and Technology of the Senate, by the Speaker of the House of Representatives or the President of the Senate, as the case may be.

"(D) MOTION TO DISCHARGE.—If the committee to which a resolution has been referred has not reported it at the end of 20 calendar days after its introduction, it is in order to move to discharge the committee from further consideration of that joint resolution or any other resolution with respect to the board of directors action which has been referred to the committee.

"(E) RULES WITH RESPECT TO MOTION.—A motion to discharge may be made only by an individual favoring the resolution, is highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same action), and debate thereon shall be limited to not more than 1 hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to. Motions to postpone shall be decided without debate.

"(F) EFFECT OF MOTION.—If the motion to discharge is agreed or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same action.

"(G) SENATE PROCEDURE.—

"(i) MOTION TO PROCEED.—When the committee of the Senate has reported, or has been discharged from further consideration of, a resolution, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(ii) LIMITATION ON DEBATE.—Debate in the Senate on the resolution shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to, or motion to recommit, the resolution is not in order, and it is not in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

"(iii) NO DEBATE ON CERTAIN MOTIONS.—In the Senate, motions to postpone made with respect to the consideration of a resolution and motions to proceed to the consideration of other business shall be decided without debate.

"(iv) APPEALS.—Appeals from the decisions of the Chair relating to the application of the rules of the Senate to the procedure relating to a resolution shall be decided without debate.

"(H) EFFECT OF ADOPTION OF RESOLUTION BY OTHER HOUSE.—If, before the passage by 1 House of a joint resolution of that House, that House receives from the other House a joint resolution, then the following procedures shall apply:

"(i) The joint resolution of the other House shall not be referred to a committee and may not be considered in the House receiving it, except in the case of final passage as provided in clause (ii)(I).

"(ii) With respect to a joint resolution described in clause (i) of the House receiving the joint resolution—

"(I) the procedure in that House shall be the same as if no joint resolution had been received from the other House; but

"(II) the vote on final passage shall be on the joint resolution of the other House.

Upon disposition of the joint resolution received from the other House, it shall no longer be in order to consider the joint resolution that originated in the receiving House.".

(f) CONFLICTS OF INTEREST; REMOVAL FOR CAUSE.—Section 6007(f) of such Act is further amended by adding at the end the following new paragraphs:

"(10) CONFLICTS OF INTEREST.—In every contract or agreement to be made or entered into, or accepted by or on behalf of the Airports Authority, there shall be inserted an express condition that no member of a Board of Review shall be admitted to any share or part of such contract or agreement, or to any benefit to arise thereupon.

"(11) REMOVAL.—A member of the Board of Review shall be subject to removal only for cause by a two-thirds vote of the board of directors.".

(g) LIMITATION ON AUTHORITY.—Section 6007(h) of such Act is amended by inserting "thereafter" before "shall have no".

(h) REVIEW OF CONTRACTS.—Section 6007 of such Act is further amended by adding at the end the following new subsection:

"(i) REVIEW OF CONTRACTING PROCEDURES.—The Comptroller General shall review contracts of the Airports Authority to determine whether such contracts were awarded by procedures which follow sound government contracting principles and are in compliance with section 6005(c)(4) of this title. The Comptroller General shall submit periodic reports of the conclusions reached as a result of such review to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate.".

SEC. 3. AMENDMENT OF LEASE.

The Secretary of Transportation may amend the lease entered into with the Metropolitan Washington Airports Authority under section section 6005(a) of the Metropolitan Washington Airports Authority Act of 1986 to secure the Airports Authority's consent to the conditions relating to the new Board of Review to be established pursuant to the amendments made by this Act.

SEC. 4. TERMINATION OF EXISTING BOARD OF REVIEW AND ESTABLISHMENT OF NEW BOARD OF REVIEW.

(a) TERMINATION OF EXISTING BOARD AND ESTABLISHMENT OF NEW BOARD.—Except as provided in subsection (b), the Board of Review of the Metropolitan Washington Airports Authority in existence on the day before the date of the enactment of this Act shall terminate on such date of enactment and the board of directors of such Airports Authority shall establish a new Board of Review in accordance with the Metropolitan Washington Airports Act of 1986, as amended by this Act.

(b) PROTECTION OF CERTAIN ACTIONS.—The provisions of section 6007(h) of the Metropolitan Washington Airports Act (49 U.S.C. App. 2456(h)) in effect on the day before the date of the enactment of this Act shall apply only to those actions specified in section 6007(f)(4)(B) of such Act that would have been submitted to the Board of Review of the Metropolitan Washington Airports Authority on or after June 17, 1991, the date on which the Board of Review of the Airports Authority was declared unable to carry out certain of its functions pursuant to judicial order. Actions taken by the Airports Authority and submitted to the Board of Review pursuant to section 6007(f)(4) of such Act prior to June 17, 1991, and not disapproved, shall remain in effect and shall not be set aside solely by reason of a judicial order invalidating certain functions of the Board of Review.

(c) LIMITATION ON AUTHORITY OF AIRPORTS AUTHORITY.—The Metropolitan Washington Airports Authority shall have no authority to perform any of the actions that are required by section 6007(f)(4) of the Metropolitan Washington Airports Act, as amended by this Act, to be submitted to the Board of Review after the date of the enactment of this Act until the board of directors of the Air-

ports Authority establishes a new Board of Review in accordance with such Act and appoints the 9 members of the Board of Review.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Minnesota [Mr. OBERSTAR] will be recognized for 20 minutes, and the gentleman from Arkansas [Mr. HAMMERSCHMIDT] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. OBERSTAR].

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

Mr. Speaker, H.R. 3762, the Metropolitan Washington Airport Act amendments of 1991, will restore the full operational authority of National and Dulles Airports, and permit National Airport to go forward with its Capital Development Program.

As all of our colleagues who use National Airport know, the airport desperately needs extensive development to bring it up to the standards of other airports around the country. Indeed, the need for this development and the impossibility of obtaining the necessary financing from Federal resources during the budget reductions of the Reagan administration years was one of the most persuasive arguments which led Congress to turn the airports over to a local airport authority in 1986. The Capital Development Program is now in jeopardy because of the recent Supreme Court decision holding unconstitutional the procedures established by the 1986 act for a board of review. That board of review was to, and did, consist of Members of Congress, representing the interests of airport users, to review major decisions of the local airports authority.

On the basis of indepth hearings by the Aviation Subcommittee and extensive discussions with all interested parties, we have developed a bill establishing a new organizational structure for the airports, including a board of review, which meets constitutional standards, while at the same time assuring that there will be full consideration of the needs of airport users.

H.R. 3762 requires the local airports authority to establish a new board of review with the members of the board to be selected from lists submitted by the Speaker of the House and the President pro tempore of the Senate. The board of review would represent the interests of users of the airport. As under the 1986 act, the airports authority will have to submit proposed major actions to the board of review. If the board of review objects to a proposed action of the airports authority, and the airports authority still wishes to take the proposed action, the matter would then be submitted to the congressional committees of jurisdiction and the airports authority would not be permitted to take final action for 60 legislative days. During this period, Congress would have an opportunity to review the proposed action, and if it deemed action necessary, pass a resolution of disapproval, which would have to be signed by the President. The bill would establish procedures for expedited consideration of resolutions of disapproval modeling the procedures established in the D.C. Home Rule Act.

H.R. 3762 has broad support from Members who have been deeply involved with the D.C. airports issue. The cosponsors of the bill include the chairman and ranking Republican member of the full Committee on Public Works and Transportation and our Subcommittee on Aviation. The bill is also cosponsored by three congressional Members of the current airport board of review, our colleagues, Mr. MINETA, Mr. HAMMERSCHMIDT, and Mr. LEHMAN, chairman of the Transportation Appropriations Subcommittee.

Mr. Speaker, I would like to add one further note. The present legislation establishes the General Accounting Office in a position of review of contracts completed by or entered into by the airports authority.

Finally, I would like to clarify our intent in amending the provision in the 1986 act that if the board of review is unable to carry out its functions because of a judicial order, the airports authority will have no authority to perform any of the actions that are required to be submitted to the board of review. The amendment in H.R. 3762 clarifies that this limitation on action by the airports authority is prospective, and applies only to actions which would need to be submitted to the board after an adverse judicial decision. It should be clearly understood that we regard this amendment as technical clarifications only. It was our intention in the 1986 act that the limitation on actions by the airports authority would be prospective only.

Mr. Speaker, this important legislation is needed to permit us to go forward with the construction required to give the Nation's Capital the first-class airports it deserves. I urge my colleagues to join me in passing H.R. 3762.

□ 1450

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

Mr. Speaker, I commend the chairman of our Aviation Subcommittee, Mr. OBERSTAR, for his work on this bill and for bringing it to the floor today.

Five years ago, we enacted legislation to transfer operational control of National and Dulles Airport from the Federal Government to a local authority. We did this because a local authority would be in a better position to raise money to improve these two airports.

At the same time, we also thought it was important that some oversight of the two airports be retained. Therefore, a board of review was created. It was responsible for overseeing certain actions of the local authority.

It is my honor to serve on this board of review with the former chairman of the Aviation Subcommittee, NORM MINETA, as well as with other Members of the House and Senate.

Unfortunately, last June, in a split decision, the Supreme Court ruled that certain powers of this board of review violated the constitutional separation of powers.

Some people have used this Court decision to argue that a board of review is no longer needed. But I disagree.

When we transferred control of these airports, we were transferring an asset that is worth billions of dollars. And the transfer was done by a lease so that ownership still remains with the Federal Government. This warrants continued Federal oversight.

Moreover, the primary purpose of the original board of review was to protect the interests of airport users. That purpose remains valid today. Others, such as airlines, airport employees, and antinoise activists, have groups to represent their interests. But airport users have no such organization. Therefore, we need a board of review to fill that important role.

For the last few weeks, we have been working diligently to develop a legislative approach that would retain the important oversight mechanism and also satisfy the constitutional concerns expressed by the Supreme Court.

We believe we now have that legislative solution and are pleased to bring it to the House today. This legislation revises the board of review to remove the veto power that the Court seemed to find so objectionable.

Instead, this bill creates an advisory board of review composed of frequent airport users who are experts in aviation matters. This board, which could still include Congressmen, would monitor the actions of the airports and could recommend changes to the airport authority. If the airports do not agree with one of these recommendations, the matter could be brought before Congress under expedited procedures. The Congress could then exercise its constitutional responsibility to pass legislation blocking the offending action of the airport.

The continuing oversight of the airports embodied in the bill before us now should not be construed as any sort of slap at the current airport authority. Indeed, this authority, chaired by former Virginia Governor Linwood Holton, has done an excellent job so far in managing the two airports and initiating significant improvements there. In fact, the previous board of review found it necessary to block only one action of this authority. I am confident that, under the new scheme we adopt today, the local authority will continue to work successfully with the board of review.

I would like to take this opportunity to clarify one provision in the bill. It is the exception in section 6007 (f)(4)(B)(vi) which states that "a contract in connection with the issuance or sale of bonds" is not subject to review. It should be clear that this exception applies only to those closing documents necessary for the bond issuance and not to any contract relating to the selection of underwriters or to how the bond proceeds are spent.

Accordingly, Mr. Speaker, I urge the passage of this legislation.

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

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

Mr. Speaker, because a number of questions have been raised about the constitutionality of the original board of review, and the Supreme Court made the ruling to which I alluded in my opening remarks, that issue was a matter of quite some intensive discussion during the hearings the subcommittee had, and questions still were raised about the constitutionality of the reconstituted board of review.

The subcommittee asked Johnny H. Killian, senior specialist, American constitutional law, at the Congressional Reference Service, American Law Division, to review this proposed legislation and provide his opinion so that we would be reinforced in our firm conviction that we have followed acceptable procedures and we have met the test of constitutionality.

Mr. Speaker, I am submitting for the RECORD the full statement of Mr. Killian.

Mr. Speaker, I would just like to read the conclusion:

* * * It appears that the provisions of the draft bill do indeed meet the constitutional objections of the Court. The new Board of Review would not be appointed by or controlled by Congress, within the meaning of the precedents. Even if that conclusion were faulty, the available precedents indicate that the Board of Review could nonetheless receive and exercise the powers contained in the draft.

Mr. Speaker, that pretty well sums up, I think, with very solid authority the constitutional question which we have very, very carefully reviewed and deliberated, and I am fully confident that this legislation will stand the test of constitutionality.

CONGRESSIONAL RESEARCH SERVICE,
THE LIBRARY OF CONGRESS
Washington, DC, November 18, 1991.

To: House Subcommittee on Aviation, Committee on Public Works and Transportation.

From: American Law Division.

Subject: Constitutionality of draft bill amending the Metropolitan Washington Airports Act.

This memorandum responds to your inquiry for a constitutional analysis of two parts of a draft bill to amend the Metropolitan Washington Airports Act of 1986. Designed to respond to the constitutional flaws found in the 1986 Act in *Metropolitan Washington Airports Authority* v. *Citizens for the Abatement of Aircraft Noise*, 111 S. Ct. 2298 (1991) (hereinafter *Airports Authority*), the bill restructures the Board of Review in terms of composition and method of appointment and revises the way in which the Board of Review responds to certain actions of the Board of Directors of the Airports Authority.

Briefly summarized, under the 1986 Act, P.L. 99-591, 100 Stat. 3341-376 (part of the Fiscal 1987 Continuing Appropriations Act), 49 U.S.C. App. §§2451-2461, National and Dulles Airports were transferred to a local agency operating under an interstate compact and governed by a Board of Directors. Itemized actions of the Directors were, however, subjected to review and possible veto by a Board of Review, which the Act required the Directors to create, to be composed of nine Members of Congress chosen by the Directors from lists provided by congressional leaders. Eight of the Members were to be from Committees with primary jurisdiction in the transportation area. The Act directed that the Members sitting on the Board of Review were to serve and to act "in their individual capacities." 49 U.S.C. App. §2456(f)(1).

A divided Court held that the Board of Review structured in this manner could not carry out the functions vested in it. Contrary to the statutory instruction that the Members were to act in their individual capacities, the Court discerned that the Members, because they were to be chosen from lists prepared by congressional leaders and because their continuing service depended upon their memberships on the requisite Committees from which they could be removed, were in effect no more than agents of Congress in carrying out their functions. Agents of Congress could not carry out such executive functions, if they were considered executive, nor could they carry out such legislative functions without complying with the Constitution's requirements of bicameral action and presentment to the President, if the functions were deemed legislative.[1] *Airports Authority*, supra, 111 S.Ct., 2306-2309, 2311-2312. Under either approach, the functions of the Board of Review could not be exercised. Because the Act specifically prevented the Board of Directors from acting with respect to any power, the exercise of which had to be submitted to the Board of Directors, if a court barred the Board of Review from carrying out its functions, legislation must be enacted in order to permit the complete operations of the airports to continue.

Under the proposed draft, a Board of Review would continue, but it would be differently structured. The Board of Directors would be required to recreate it and to appoint nine individuals from lists submitted from the Speaker and the President pro tempore. The Board of Directors may request the congressional officers to submit additional names if it does not wish to appoint those submitted. The bill does not require any of the individuals to be Members of Congress, although it does not preclude the appointment of Members; those serving on the Board of Review are to represent the interests of the users of the airports and are not to be residents of the three local jurisdictions. They are required to have experience in aviation matters and to be frequent users of the airports. The Board of Directors is authorized to remove for cause any member of the Board of Review by a two-thirds vote.

If the Board of Directors takes one of a number of prescribed actions relating to the management and operation of the Airports Authority, the Board of Review is authorized to make a recommendation to the Board of Directors respecting the action, including a recommendation that the action not take effect. If a recommendation is submitted to the Board of Directors, the Board may adopt the recommendation or it may respond in writing to the Board of Review explaining why it has not adopted the recommendation and at the same time submit to the House of Representatives and the Senate a detailed report on the matter. The action proposed by the Board of Directors may then not take effect until the expiration of 60 calendar days from the date of submission, with specified qualifications. The draft then establishes under the rule-making power of the House of Representatives and the Senate a "fast-track" process under which a joint resolution of disapproval may be introduced, considered in committee, and considered in both Houses, the enactment of which would nullify the proposed action of the Board of Directors.

Initially, one must note that the validity per se of the composition and appointment of the Board of Review and of the authority it may exercise with respect to proposed actions of the Board of Directors is not at issue. That is, the critical question of constitutionality turns upon the relationship of the Board of Review to the authority. Some entity may exercise this authority. The first question is whether the Board of Review in its composition and means of appointment is an entity about which a constitutional objection appropriately may be lodged to vesting in it certain powers; the second question is whether, if it is, it may nonetheless exercise these particular powers. Determining that the Board of Review was improperly constituted would not necessarily mean it could not exercise its conferred powers, whereas determining that the Board was properly constituted would obviate the need to consider the powers.

In both respects, we think, respectable authority indicates that the constitutional qualms identified by the Supreme Court in the Airports Authority case have been removed by the alterations proposed in the draft.

As we have noted above, the Court objected to the Board of Review in its decision because it perceived the Members to be but agents of Congress, both in the manner of appointment and in their continuing eligibility to serve. Congress may not appoint persons to carry out executive functions, *Buckley v. Valeo*, 424 U.S. 1, 109-143 (1976), nor may executive functions be carried out by personnel subject to Congress' control. *Bowsher v. Synar*, 478 U.S. 714, 726 (1986).[1] But the structure of the executive branch and of other entities charged with the execution of the laws is not ordained by the Constitution. Rather, the structure depends upon the exercise by Congress under its necessary and proper power, article I, §8, cl. 18, of authority to create offices, prescribe their duties, determine the qualifications of the officeholders, regulate their appointments, and generally to promulgate the standards for the conduct of the offices. *Crenshaw v. United States*, 134 U.S. 99, 105-106 (1890); *Myers v. United States*, 272 U.S. 52, 128-129, 161-163, 164 (1926); *Buckley v. Valeo*, supra, 424 U.S., 134-135; *Morrison v. Olson*, 487 U.S. 654, 673-677 (1988).

No doubt exists, therefore, that in transferring control over the two airports, which previously were the only two airports in the Nation owned and managed by the Federal Government, Congress could regulate the structure within which the airports were to

be managed by local authorities, acting, in this instance, by conditioning transfer on creation of the Board of Review. It could prescribe the functions of the Board of Review. It could make listed actions of the Board of Directors dependent upon the approval of the Board of Review. But it could not appoint the members of the Board of Review or control them after they were appointed.

Does the provision that members of the Board of Review must be appointed from lists submitted by congressional officers involve Congress too much in the appointing process? Now, of course, Congress regularly confines the discretion of even the President by establishing a variety of qualifications for eligibility for appointment, including citizenship, residence, professional attainments, occupational experience, age, property holdings, physical disability, and sound habits. For a dated but extensive listing, see *Myers* v. *United States*, supra, 272 U.S., 265–274 (Justice Brandeis dissenting). It has even, from time to time, required him to appoint from lists compiled by others. Id., 274 n. 56. The Sentencing Commission, upheld in *Mistretta* v. *United States*, 488 U.S. 361 (1989), numbered among its members three federal judges; the President was to select them "after considering a list of six judges recommended to the President by the Judicial Conference of the United States." Id., 397 (quoting 28 U.S.C. §991(a)). And see id., 408–411.[2] The Comptroller General is nominated by the President from a list of three individuals recommended by the Speaker of the House of Representatives and the President pro tempore of the Senate. *Bowsher* v. *Synar*, supra, 478 U.S., 727 (citing 31 U.S.C. §703(a)(2)).[3]

In *Airports Authority*, supra, 111 S.Ct., 2308, the Court distinguished these latter two instances from the case before it. Thus, the Court said, the President was simply to "conside[r]" the recommendations for the Judicial Conference and the congressional officers were to "recommend" individuals to the President for selection. In contrast, the Airports Authority Board of Directors had to choose from the lists, and the statute did not require the lists to include more than the number of openings.

The Court has not often referred to this precise question, but it has indicated that while the President's discretion may be narrowed it may not be too closely confined. Thus, Chief Justice Taft, in the opinion most protective of presidential powers, did observe that congressional prescription of qualifications for office does not conflict with the President's appointment power, "provided, of course, that the qualifications do not limit selection and so trench upon Executive choice as to be in effect legislative designation." *Myers* v. *United States*, supra 272 U.S., 128. See also *United States* v. *Ferriera*, 13 How. (54 U.S.) 40, 51 (1851). But see *Public Citizen* v. *Dept. of Justice*, 491 U.S. 440, 482–489 (1989) (Justice Kennedy concurring in judgment) (suggesting President has *sole* and unconfined discretion in appointing).

Substantial authority exists that with respect to the regulation of the appointment, supervision, and removal of all officers in the executive branch below the President, Congress possesses greater constitutional authority than it has with respect to the President, simply as a concomitant of its creation of those offices. *Perkins v. United States*, 116 U.S. 483, 485 (1886), cited with approval in *Myers v. United States*, supra, 272 U.S., 161–163, 164, and in *Morrison v. Olson*, supra, 487 U.S., 689 n. 27. Therefore, it is certainly arguable that the appointing authority of the Board of Directors, which is not only not the President but is not even within the executive branch, may be cabined more closely. However true that may be, it need not be relied on in this instance.

The proposed draft meets the objections of the Court. *Airports Authority*, supra, 111 S.Ct., 2308. That is, while the appointments must be made from the lists and the initial lists are not necessarily required to contain more names than there are openings, the Board of Directors is authorized to require the submission of more names. It is not required to select off the first lists.[4]

Too, the draft does not require that the Board of Review be filled by sitting Members of Congress, eight of the nine of which had to be Members of appropriate Committees.

Absent now are the two features to which the Court pointed as giving Congress too much control over the appointing process.

Equally missing are the features to which the Court pointed as giving Congress control over the Members of the Board of Review. Private citizens who are appointed to the Board will in no way be subject to congressional control. To the extent that any member of the Board of Review will be appointed from the ranks of Congress, there is no requirement that the appointee be a Member of any named Committee. Thus, Congress could not cause the removal of a Member by removing her from a particular Committee.[5] Moreover, the Board of Directors is given new authority, the power to remove any member of the Board of Review from office for cause by a two-thirds vote, a provision that contradicts any inference that the Board of Review would be a congressional agent.[6]

Nothing in the *Airports Authority* opinion suggests that the mere service of a Member of Congress on the Board of Review would in and of itself violate the separation-of-powers doctrine. Only impermissible congressional control over the appointment and over the freedom of operation by a Member would raise separation-of-powers problem.

Still standing as a possible barrier to Member service, however free of institutional control that service might be, is Article I, §6, cl. 2, of the Constitution. Under that clause, "no Person holding any Office under the United States, shall be a Member of either House during his Continuance in Office."[7] As we have noted above, it is certainly arguable that the Board of Directors is not an "Office under the United States." But the Court did note the existence of a possible problem and reserved the question. *Airports Authority*, supra, 111 S.Ct., 2308 & n. 16, 2312 n. 23. Because the Board of Review will continue to be an entity created by congressional initiative, will have the powers specified by Congress, and will protect federal interests of importance to Congress, it is certainly possible that the Court will, in the event of future litigation, choose to regard it as enough of a federal office to implicate the incompatibility clause.

A more compelling reason why service on the Board of Review should not be deemed to be service in an "Office under the United States" arises when we consider the nature of the authority exercised by the Board of Review. As we discuss more fully below, the Board of Review would no longer have the authority to veto actions of the Board of Directors. The only power is advisory, in the sense that the Board of Review may make recommendations concerning a proposed action to the Board of Directors. The latter entity may consider but it need not adopt the recommendation; if it does not, what happens is that a report is made by the Board of Directors to Congress which has a period to act to disapprove by legislation. The only authority the exercise of which has binding effect is to trigger the report-and-waiting period, hardly the kind of power to execute the laws an "Office of the United States" is considered to have.

Members of Congress typically serve on advisory commissions and many other entities, all of which would be called into some degree of question if the Board of Directors provided for in this draft is to be held to be "Office[s] under the United States."

Should, however, the Court find congressional service on the Board of Review violates the incompatibility clause, nothing in the statute will be held to be unconstitutional. Because the draft permits but does not require appointment of Members, there would be only an *as applied* challenge to the practice, rather than a *facial* challenge, and the statute would continue unchanged in its terms.

Inasmuch as it appears that the appointment process for the Board of Review complies with constitutional standards, no constitutional challenge would lie to the exercise of the Board's powers on the basis of impermissible congressional control. But, if, contrary to the discussion so far, it is concluded that the draft has not succeeded in meeting the *Airports Authority* Court's objections, then we must consider whether a Board so constituted may nonetheless exercise the powers included in the draft. Again, there is respectable authority for the proposition that it may.

An entity appointed in whole or in part by Congress or subject to its control may nevertheless carry out *some* functions. *Buckley v. Valeo*, supra, 424 U.S. 137–138. The question always is whether the nature of the power conferred is of the kind that such a body may exercise. And with regard to the powers to be exercised by this Board of Review, there are precedents.

After the Court in *Bowsher v. Synar* held that the Comptroller General was an officer effectively subject to the control of Congress, because he was removable by Congress (albeit by joint resolution which the President could veto), id., 478 U.S., 727–732, and therefore could not have the determinative voice in fixing the reductions of expenditures which the President must execute, id., 732–734, the Administration sought to have voided other powers vested in the Comptroller General. In particular, the Comptroller General's role in carrying out the Competition in Contracting Act of 1984 (CICA), P.L. 98–369, 98 Stat. 1199, 31 U.S.C. §§3551–3556, was singled out for judicial assault. The failure of that effort is significant for the decision we must reach here.

Under the Act, the Comptroller General may investigate protests filed by losing bidders claiming agency failure to adhere to competitive procedures. The Comptroller General, upon receipt of a protest, notifies the agency concerned and investigates the matter, finally issuing a nonbinding recommendation to the agency on the procurement decision. The heart of the process is the imposition of an automatic stay or suspension of any contract award or performance upon the timely filing of a protest. An award may not be made, or performance resumed, while the protest is pending. The protest is pending for as long as it takes the Comptroller General to investigate and reach a decision. He may dismiss frivolous protests immediately, but he may also take up to 90 working days, if needed. Moreover, under the Act as originally written and as it

was when the cases discussed below were decided, he could take more than 90 days, if the circumstances required and he gave written reasons. At the completion of his inquiry, he may recommend that the procuring agency undertake one or more of several actions, which the Comptroller General determines to be necessary to promote compliance with procurement statutes and regulations. If the federal agency has not fully implemented these recommendations within 60 days of receipt, then the head of the procuring activity responsible for the solicitation or award of the contract must report to the Comptroller General on his actions and his reasons for not accepting the recommendations. The procuring agency may override the stay upon the making of certain findings respecting urgent and compelling circumstances.

Drawing upon the decisions in *Bowsher v. Synar*, supra, and *INS v. Chadha*, 462 U.S. 919 (1983), the Administration attacked the stay provisions of CICA as conferring impermissible executive functions upon an agent of Congress. Refusing to accept the principle of these cases as denominating any action as executive that requires an officer to interpret and implement a legislative mandate or to exercise judgment that would alter the rights and duties of persons outside the legislative branch, both courts held that what was barred under these cases was the reservation in a legislative officer or an officer subject to legislative control of the ultimate authority over an executive official or a final disposition of the rights of persons outside the legislative branch. The Comptroller General's role was to investigate the operation of a bidding process; the stay was triggered by the protest of a frustrated bidder. The stay remained in effect for as long as the Comptroller General required to complete an investigation, but in the event of compelling circumstances the agency could go ahead after proper notice with the execution of the contract. The recommendation of the Comptroller General at the conclusion of his investigation is nonbinding and thus cannot coerce the agency to make or alter a procurement disposition. The Comptroller General could thus carry out the functions lodged in him. *Ameron, Inc. v. United States Army Corps of Engineers*, 809 F.2d 979 (3d Cir. 1986), *cert. granted*, 485 U.S. 958, *cert. dismd. on motion of parties*, 488 U.S. 918 (1988); *Lear Siegler, Inc. v. Lehman*, 842 F.2d 1102 (9th Cir. 1988), *panel reversed on another issue on reh. en banc*, 893 F.2d 205 (9th Cir. 1989). After Congress amended CICA to delete the provision permitting the Comptroller General to extend the stay period. P.L. 100-463, 102 Stat. 2270-47, amending 31 U.S.C. §3554(a)(1), meeting but one aspect of the constitutional dispute, the Administration conceded defeat and dropped its constitutional attacks on the stay provisions of CICA, even though the Supreme Court had agreed to review one of the decisions.[8]

Comparisons between the CICA provisions and the Board of Review powers are striking. Upon receipt of a proposed action by the Board of Directors the Board of Review may, but need not, forward to the Board of Directors a nonbinding recommendation with respect to that action, including a recommendation that it not take place. If the Board of Directors does not adopt the recommendation, it must transmit a report to Congress, which then has the prescribed period in which to enact a joint resolution disapproving the action. The only effect an action of the Board of Review has is to set the period of abeyance running by sending a recommendation to the Board of Directors. The period of delay occasioned by the Board of Review's consideration of the proposed action, 30 days, is a statutorily mandated one.

Now, Congress could, without raising any constitutional doubt, require the Board of Directors to report all its proposed actions to Congress and to wait the requisite 60 days. Report-and-wait requirements are unexceptionable. *Sibbach v. Wilson & Co.*, 312 U.S. 1 (1941); *INS v. Chadha*, supra, 462 U.S. 935 n. 9. The Board of Review can exercise no control over the Board of Directors, nor does its forwarding of a resolution have the effect of altering anyone's legal rights. Its presentation of its recommendation does have the effect of staying the Board of Director's proposal for 60 days, just as the Comptroller General's receipt of a bid protest had the effect of triggering a temporary stay under CICA. Congress has quite frequently made the effective date of some governmental action dependent upon an occurrence, in effect, a contingency. See *Currin v. Wallace*, 306 U.S. 1 (1939); *United States v. Rock Royal Co-operative*, 307 U.S. 533, 577-578 (1939); *H. P. Hood & Sons v. United States*, 307 U.S. 588, 599-603 (1939); *United States v. Frame*, 885 F.2d 1119, 1127-1129 (3d Cir. 1989).[9] Why it might not vest in an entity that might be considered within its control a similar triggering of a report-and-wait requirement, in lieu of mandating the requirement in all cases, is not at all obvious.[10]

Even if, then, it is concluded or suspected that the Board of Review is in some sense an entity subject to congressional control, it may nonetheless be concluded that the powers conferred on it in the proposed draft are powers that such an entity, like the Comptroller General, may exercise.

We must not conclude, however, without applying the balancing test that the Court in recent years has instructed us in the proper standard to utilize in separation-of-powers cases not involving forbidden exercises of power by Congress or its agents. That flexible test, rather than the previous formalist analysis sometimes used, is appropriate for determining whether, assuming our determinations with respect to appointment and control of the Board of Directors and with respect to its powers are correct, there may not nonetheless be constitutional difficulties. Two questions are presented. Is the acting branch attempting to enhance its own powers at the expense of a coequal branch, the aggrandizement or usurpation test? Is the acting branch attempting impermissibly to undermine the powers of another branch, to prevent that branch from accomplishing its constitutionally assigned functions, and if there is a potential for disruption, is the impact nonetheless justified by an overriding need to promote objectives within the constitutional authority of Congress? *Mistretta v. United States*, supra, 488 U.S., 380-384; *Morrison v. United States*, supra, 487 U.S., 693-696; *CFTC v. Schor*, 478 U.S. 833, 850-851, 856-857 (1986); *Bowsher v. Synar*, supra, 478 U.S., 727; *Thomas v. Union Carbide Agric. Products Co.*, 473 U.S. 568, 587, 589-593 (1985); *Nixon v. Administrator of General Services*, 433 U.S. 425, 442-443 (1977); *United States v. Nixon*, 418 U.S. 683, 713 (1974).

Aggrandizement as a test element has already been answered by our conclusions with respect to appointment and control. What the Court has looked to in order to evaluate the aggrandizement issue is whether Congress as an institution has attempted to exercise powers reserved to the President or to the executive branch. *Buckley v. Valeo*, supra, *Bowsher v. Synar*, supra, and *Airports Authority*, supra, are representative of these. When Congress legislates to carry out its views of how the executive branch should be constructed or how the laws should be executed, outside of playing a role itself, it but exercises powers the Constitution has conferred on it, and the Court has invariably disclaimed any prospect of congressional aggrandizement. E.g., *Morrison v. Olson*, supra, 487 U.S., 694.

Looking to the other standard, whether there is a potential for any impermissible disruption of assigned functions, again the discussion above largely furnishes the answer. As a creature entirely of legislation, the Airports Authority has no necessarily constitutionally assigned functions, but as a recipient of delegated authority, it is, under the less-than-clear analysis of the *Airports Authority* Court, entitled to be able to execute the laws free of impermissible congressional control. Again, the only control is that which will be exercised pursuant to law making, that is, to enactment of a joint resolution that will be presented to the President.

In conclusion, it appears that the provisions of the draft bill do indeed meet the constitutional objections of the Court. The new Board of Review would not be appointed by or controlled by Congress, within the meaning of the precedents. Even if that conclusion were faulty, the available precedents indicate that the Board of Review could nonetheless receive and exercise the powers contained in the draft.

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FOOTNOTES

[1] We may be too readily utilizing the word "executive" in the context of the Airports Authority. The Authority is not "in" the executive branch; it is, in fact, not in the Federal Government. Rather, it is an interstate agency, arguably not subject to a separation-of-powers analysis. But the Court fastened on the fact that Congress had in transferring the two airports to the interstate agency imposed certain obligations upon the governing authority, including the requirement that it create and appoint the Board of Review. "Such an entity necessarily exercises sufficient federal power as an agent of Congress to mandate separation-of-power scrutiny." Airports Authority, supra, 111 S.Ct., 2308. We thus continue to use the word "executive" herein, less for its precision than for its encapsulation of the Court's concerns.

[2] We observe that the Court's actual holdings addressed the judges' service on the Commission and the extent to which their judicial independence might be threatened by their appointments and possible removals from the Commission; it did not pass on any contention that the President's discretion might be too severely limited.

[3] Again, it must be noted that no issue of impermissible restriction on the President's discretion to appoint was before the Court.

[4] The draft does not contain a provision specifying that if at any time the Board of Review has four vacancies and recommendations have been made for appointments to fill the vacancies, the Board of Directors may not perform any action which the draft requires to be submitted to the Board of Review. One could point to this provision as implicating a deterrent to the Board of Directors in declining to appoint from a suggested list and requesting new names. However, the provision is but one means Congress has to ensure that it always has the opportunity to review the listed actions and to stop them from taking place in a legislative fashion. To the extent that the Board of Director's discretion to act might be limited, the adverse effects would be felt at least equally and perhaps more so by Congress and by the traveling public who could be expected to make their views known to Congress.

[5] And Congress may not deny a seat in Congress itself to any Member-elect who meets the constitutional qualifications for membership, while it may expel a sitting Member only by obtaining a two-thirds vote. See *Powell v. McCormack*, 395 U.S. 486 (1969).

[6] The *Airports Authority* Court, in pointing to provisions of the Act which seemed to it to indicate the

degree of congressional control over the Authority, cited 49 U.S.C. §2456(h), which denies the Airports Authority the power to act in the prescribed areas if the Board of Review is judicially invalidated. Id., 111 S.Ct., 2304 n. 10. That provision is undisturbed by the draft. One must observe an element of "Catch 22" in this respect. The Court has often pointed out the desirability of inclusion of separability clauses in legislation, so that the Court need not guess whether Congress would wish a statute to continue in effect if part of it is voided. E.g., *Alaska Airlines, Inc. v. Brock*, 480 U.S. 678, 684-687 (1987). That Congress would not want authority it has conferred to be exercised in the absence of an opportunity for it to review and to overturn legislatively a decision of the delegate bespeaks attention to its responsibilities rather than intention to exercise impermissible control. The point is that if the provisions for review that Congress includes pass muster, the inclusion of a nonseparability clause should not alter that result.

[7]In terms of the initial appointments, the first part of the clause, the ineligibility clause, could also be a problem. It provides: "No Senator or Representative shall, during the Time for which he was elected, be appointed to any civil Office under the Authority of the United States, which shall have been created, or the Emoluments whereof shall have been encreased during such time[.]"

[8]Recently, this Administration has filed a court action challenging the constitutionality of another provision of CICA, a section empowering the Comptroller General to require the procuring agency to pay an appropriate protester the costs of filing and pursuing the protest, including reasonable attorney's fees and bid and proposal preparation costs. 31 U.S.C. §3554(c)(1)(A)(B). *United States v. Instruments, S.A.* (D.D.C. filed 7/3/91). Obviously, even if the section is invalidated, such a decision would have no impact on the stay provisions of CICA or of the Board of Review's powers.

[9]These statutes provide that restrictions upon the production or marketing of agricultural commodities are to become operative only upon a favorable vote by a prescribed majority of those persons affected. See also *Black v. Community Nutrition Institute*, 467 U.S. 340 (1984)(denying judicial review of marketing orders adopted with consent of handlers and farmers). These cases are more accurately reflective, we think, of the proposition that Congress may delegate to private persons some law execution function, but the opinions couch the holdings in terms of contingencies, and we thus cite them for that.

[10]We do not assert the argument that the greater power always includes the lesser, inasmuch as there are instances when a more convenient scheme or one less disruptive of governmental operations may nonetheless run afoul of the Constitution. But that Congress could exercise the greater power certainly ought to impose a somewhat heavier burden than otherwise on those who assert the unconstitutionality of the lesser power.

Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. MINETA].

Mr. MINETA. Mr. Speaker, I rise in support of this bill to reconstitute the Metropolitan Washington Airports Authority Board of Review.

Congress, the Federal Government, and the American people have a great stake in the future of National and Dulles Airports.

In 1986, the airports were leased to the Metropolitan Airports Authority for 50 years. However, the land upon which they sit, including the Dulles Access Road, remains owned by the Federal Government.

Five years ago it was decided that leasing the airports would serve airport users best. An independent regional authority would be able to raise capital through tax-exempt bonds.

And as we knew then, National Airport was in desperate need of money to renovate and modernize; Dulles needed money to expand and improve.

When hearings on the transfer were held 6 years ago, testimony was heard from all levels of government, airport management, industry, passengers, and civic groups.

Subsequently, the Board of Review was created to protect the interest and investment of airport users.

After serving on the Board of Review for more than 4 years, I believe that the need for such a panel representing airport users and national interests is stronger than ever.

I also believe that there is a vital role for congressional oversight of the Department of Transportation's responsibility as the airport's landlord.

The dilemma is how to protect each of these interests in a constitutional framework. Inasmuch as the Supreme Court recently held that the Board of Review, as it was originally implemented, was unconstitutional.

It is important that we act in a timely manner to resolve this dilemma so that the airports serving the Nation's Capital can continue to prosper and serve our Nation's air travelers.

That is why I commend the leadership of my good friend the gentleman from Minnesota, Mr. OBERSTAR, the chairman of the Subcommittee on Aviation, for bringing this legislation to the floor to resolve this issue.

I would also like to commend the leadership of the gentleman from Arkansas [Mr. HAMMERSCHMIDT], and the gentleman from Pennsylvania [Mr. CLINGER]. This is truly a bipartisan piece of legislation.

Mr. Speaker, it is important that we pass this legislation today to permit the uninterrupted continuation of renovation and expansion projects at Washington National and Dulles International Airports.

Mr. Speaker, I strongly urge the passage of this important legislation.

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

Mr. Speaker, in conclusion, I want to express my very great appreciation to my colleague, the senior Republican on the subcommittee, the gentleman from Pennsylvania [Mr. CLINGER], for his participation throughout the hearing, but more importantly, throughout the very long deliberative process that we have followed to work out the language now before us which is, indeed, a landmark piece of legislation.

Mr. WOLF. Mr. Speaker, 5 years ago, Washington National and Dulles International Airports, both of which are in my district, were transferred from Federal control to a regional authority. Under the Metropolitan Washington Airports Authority [MWAA], great strides have been made toward improving domestic and international air service to the Nation's Capital. This has been achieved through balancing the service between National, a restricted urban facility, and Dulles, a rural/suburban facility currently only at 20 percent capacity and growing.

A recent Supreme Court ruling mandated the need for the amending legislation before us today. In its decision, the Court ruled that the original transfer act of 5 years violated the constitutional principle of separation of powers because of the inclusion of the Congressional Review Board which could exercise veto power over MWAA actions.

In testimony at a hearing before the Public Works and Transportation Subcommittee on Aviation, I recommended the dissolution of the Congressional Review Board because Congress has oversight authority over these two airports through the authorization and appropriations process. I also recommended that a mechanism be included to give local citizens input into the operations of the airports.

While H.R. 3762 retains the Review Board, the veto power has been eliminated. Instead H.R. 3762 includes a mechanism for Congress to make recommendations to the airports authority with a wait and disapprove clause if those recommendations are not accepted. While this language is designed to respond to the concerns of the Court, frankly, I think the legislation should have abolished the Congressional Review Board altogether.

On the very important issue of local citizen involvement, I am pleased to report that former Virginia Gov. Linwood Holton, who serves as chairman of the MWAA board, has agreed to recommend that the airports authority administratively set up a citizen advisory committee and to consult with area members of Congress on composition and logistics. This does not require legislation, and I am pleased that MWAA is moving in this direction voluntarily.

This is a very positive development and it will provide local citizens a say in the operations of two airports that have a direct impact on their quality of life.

It is necessary that Congress act quickly on this matter, removing the present limbo which jeopardizes a $1.6 billion capital development program. A high percentage of the capital requirement for this project is generated through the use of tax-exempt bonds. This financing instrument is subject to the uncertainties caused by the current situation.

Passage of this legislation should restore the regional authority to sound footing. This will allow the airports authority to continue progress on providing the metropolitan area the best aviation service possible, and on providing America and the world a gateway to the Nation's Capital.

Mr. PAYNE of Virginia. Mr. Speaker, today the House will vote on H.R. 3762, the Metropolitan Washington Airports Act Amendments of 1991.

This legislation is necessary because a recent Supreme Court decision struck down the constitutionality of the Congressional Board of Review at National and Dulles Airports following their transfer to a regional authority from the Federal Government.

Without Congressional action, needed capital improvements at Dulles and National airports will be stopped.

If this bill becomes law, the Metropolitan Washington Airports Authority will submit major decisions to a new board of review which will include Members of Congress chosen by the Speaker of the House and the Senate President pro tempore.

This new board can recommend changes to proposals by the authority, including issuance

of bonds, changes to the airport master plans, actions on regulations, appointment of a chief executive officer, amendments to the authority's annual budget, and the awarding of contracts.

If these changes are not subsequently agreed to by the authority, the matter is then referred to Congress and its appropriate committees for review.

The Congress has 60 days to pass a joint resolution of disapproval, which must be signed by the President, or the airport authority may proceed with its plans.

I would like to thank Mr. OBERSTAR of Minnesota, the subcommittee chairman [Mr. MINETA of California], the chairman of the Existing Board of Review, and former Gov. Linwood Holton of Virginia, the chairman of the board of directors for their work on this important legislation.

Any delay in capital improvements at National and Dulles could be harmful to the local economies of northern Virginia, Maryland, and the District of Columbia.

I urge my colleagues to support this bill.

Ms. NORTON. Mr. Speaker, I rise today to support H.R. 3762, a bill concerning the future of Washington National Airport and Dulles International Airport. This bill is of major importance to the District of Columbia.

First, I want to take this opportunity to both thank and commend Chairman OBERSTAR for his leadership in quickly drafting and moving the Washington Airports Authority amendments. This bill amends the 1986 Metropolitan Washington Airports Act to modify the procedures under which Congress may overturn certain decisions made by the Metropolitan Washington Airports Authority [MWAA] in order to conform these procedures to a recent Supreme Court ruling. The measure also changes selection and membership criteria for the Congressional Board of Review, and it expands the types of actions that must be submitted to the Board of Review. Failure to pass this legislation would prevent the Authority from being able to market additional bonds; and without this ability, the Airports Authority would be unable to proceed with its very important Capital Development Program.

As a member of the full Committee on Public Works and Transportation and the only member from this immediate region, I joined the panel at the Aviation Subcommittee hearings in September to evaluate current concerns regarding the airport authority. At that hearing and in subsequent private discussions with my colleagues, I have encouraged the committee leadership to be mindful of the importance of two factors: First, the concerns of local residents who live with the airports, and second, the capital development needs of National Airport that require the continuation of much needed construction in progress that should not be interrupted.

The development program at National Airport includes an entirely new terminal which will house 80 percent of the airline gates, restoration of the main terminal, and integration of the Metro rail station with the new terminal building. National and Dulles Airports are extremely important to the millions of business people, Washingtonians, and tourists who use them daily.

I also joined regional congressional members to express the need to increase local participation in the Airports Authority. This month, I joined Congressman MORAN, Congressman WOLF, and Congresswoman MORELLA in asking Chairman OBERSTAR to include in the legislation provisions which respond to the need for the Airports Authority to receive advice and comments from the members of the public. Issues such as noise abatement severely affect the residents of the Washington Metropolitan area.

While I am mindful of the committee's legitimate desire to expedite movement of the measure and therefore to address only the constitutional questions raised by the recent Supreme Court decision, I must say that I am disappointed that our recommendations were not included. I am pleased, however, to receive a letter from former Gov. Linwood Holton, chairman of the Airports Authority Board of Directors, which goes some distance toward responding to our local concerns. Governor Holton pledged to recommend to the Airports Authority's Board of Directors that a citizens advisory committee be created. More importantly, he will recommend that a decision on the composition of that citizens advisory committee be made in consultation with Members of Congress who represent the citizens of this metro region along with leaders of our local governments.

While the Airports Authority has done a commendable job at managing these airports, I believe it is extremely important that local representatives be given the opportunity to better inform Authority decisions. Governor Holton's recommendations demonstrate a welcome willingness to communicate with the local citizens in a way that is meaningful and constructive. It will avoid further controversy in Congress over the important issue of local representation if the Holton recommendations are met with a favorable response from the Metropolitan Washington Airports Authority's Board of Directors. I look forward to working closely with the Airports Authority to ensure progress in this effort.

Let me add that I am extremely pleased that no provisions have been included or will be attached to this measure that would increase airport slots at National Airport. My office has received calls from Washington residents who are alarmed about recent news reports suggesting that such a change might occur under the direction of the Federal Aviation Administration. The local governments of the Washington area view the longstanding slot limitation rule as an inviolable part of the contract between the Federal, State, and local levels of government and believe the slot rule is critical to the continued environmental acceptability of this centrally located airport. It is singularly inappropriate that this consensus might be overturned by parties who will not bear the environmental and service consequences of changing the rules on slots.

Again, I support this important legislation and will continue to work for more local participation.

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

The SPEAKER pro tempore (Mr. COLEMAN of Texas). The question is on the motion offered by the gentleman from Minnesota [Mr. OBERSTAR] that the House suspend the rules and pass the bill, H.R. 3762, as amended.

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

A motion to reconsider was laid on the table.

THE 6-MONTH EXTENSION OF THE COMMISSION ON THE BICENTENNIAL OF THE CONSTITUTION

Mr. SAWYER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3728) to provide for a 6-month extension of the Commission on the Bicentennial of the Constitution.

The Clerk read as follows:

H.R. 3728

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

SECTION 1. 6-MONTH EXTENSION OF COMMISSION.

Section 7 of the Act entitled "An Act to provide for the establishment of a Commission on the Bicentennial of the Constitution", approved September 29, 1983 (Public Law 98-101), is amended by striking "December 31, 1991" and inserting "June 30, 1992".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio [Mr. SAWYER] will be recognized for 20 minutes, and the gentleman from Pennsylvania [Mr. RIDGE] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Ohio [Mr. SAWYER].

GENERAL LEAVE

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 3728, the bill now under consideration.

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

There was no objection.

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

Mr. Speaker, I am pleased to bring H.R. 3278 before the House today.

This legislation extends the life of the Commission on the Bicentennial of the Constitution by 6 months. Under existing law, the Commission will terminate on December 31, 1991. This legislation extends the life of the Commission for 6 months, until June 30, 1992.

The Commission, under the leadership of Chief Justice Warren Burger, has done an outstanding job of educating the Nation about our Nation's constitutional heritage.

The Commission continues its work even now, in preparation for the upcoming December 15, 1991, bicentennial of the signing of the Bill of Rights.

In light of those activities, Chief Justice Burger does not believe the Commission can complete its mandate prior to the end of the calendar year.

The Commission has requested a 6-month extension in order to continue

its legal contracting authority. This authority is needed to enable the Commission to complete several projects.

I would like to emphasize that the Commission is not requesting, nor does it require, any additional funds.

The primary unfinished business is the completion of a report on the Commission's activities, the final chapter of which cannot be completed until after the Bill of Rights celebration.

In addition, the Commission has accumulated a wealth of materials in the past few years. The Commission will use the additional 6 months to complete its archives. I am confident that future generations will benefit a great deal from those documents.

I want to acknowledge the efforts of the legislation's primary sponsor, Congressman PHILIP CRANE.

I also want to thank Chairman WILLIAM CLAY and ranking minority member, BENJAMIN GILMAN, of the Post Office and Civil Service Committee for their expeditious handling of this legislation. Their efforts enabled us to bring the bill to the floor in a timely manner.

I urge my colleagues to support this legislation.

□ 1500

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

Mr. Speaker, as ranking minority member of the Subcommittee on Census and Population, which this bill would have been referred to, I would like to commend Chairman CLAY and Congressman GILMAN, the ranking minority member, of the Committee on Post Office and Civil Service for holding this bill and reporting it out so quickly.

Under existing statute the Commission will expire on December 31, 1991. The Commission is confronting a cleanup problem and has requested this statutory extension simply to close the shop and archive the large amount of material that the Commission has generated and collected over the past 5 years. Of great concern to the Commission are their remaining program obligations, which will require some minor staffing after December 31.

I would like to stress that this legislation is only an extension of the Commission's authorization and will require no additional appropriation of funds.

Mr. Speaker, as my colleague reminded the Chamber, the Commission is confronting basically a cleanup matter and wants to complete the task assigned to them.

As my colleague, the gentleman from Ohio [Mr. SAWYER] has noted, there is no additional cost in this authorization, no additional appropriation of funds, so I would join him in urging my colleagues to support this legislation.

Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois [Mr. CRANE], the chief sponsor of this legislation. He himself is a highly respected historian and member of the Bicentennial Commission on the U.S. Constitution.

Mr. CRANE. Mr. Speaker, first let me thank subcommittee Chairman TOM SAWYER, ranking member on the subcommittee, TOM RIDGE, and their staffs, for expediting this legislation which was brought to their attention on short notice. I would also extend my appreciation to full committee Chairman BILL CLAY and ranking member, BEN GILMAN.

Mr. Speaker, since 1985 it has been my pleasure to serve as a member of the Commission on the Bicentennial of the U.S. Constitution. In an effort to promote civic awareness and public interest in constitutional history and issues, the Commission, under the leadership of former Chief Justice Burger, has sponsored numerous educational and celebratory programs and events across the Nation.

Under current law, the Commission's corporate life will expire on December 31, 1991. This year marks the bicentennial of the ratification of the bill of Rights, and the Commission will be working right up to the end of the year to coordinate events that are scheduled to culminate on December 15. December 15 is considered to be the anniversary date of the adoption of the Bill of Rights as it marks the day on which Virginia became the 11th State in the Union to ratify the amendments. In order to have time to properly close up shop, archive material, tie up loose ends, and draft a final report to be used as reference for future commissions, Chief Justice Burger has requested that the statutory life of the Commission be extended for 6 additional months.

As the only current House member serving on the Commission, I have introduced H.R. 3728 on behalf of Chief Justice Burger to provide the necessary extension. I must emphasize to my colleagues that this extension does not authorize any additional appropriation. My legislation merely extends the statutory life of the Commission 6 months in order for it to operate in an official capacity during that time.

Mr. Speaker, from firsthand knowledge, I can readily assure my colleagues in the House of the hard work and good efforts of the Commission and its staff. I hope that my colleagues will support me in this effort to accommodate the modest request of the Chief Justice and enable the Commission to properly finish the task assigned to it by Congress.

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

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

The SPEAKER pro tempore (Mr. COLEMAN of Texas). The question is on the motion offered by the gentleman from Ohio [Mr. SAWYER] that the House suspend the rules and pass the bill, H.R. 3728.

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

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 2100, NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEARS 1992 AND 1993

Mr. GORDON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 281 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 281

Resolved, That upon the adoption of this resolution it shall be in order to consider the conference report on the bill (H.R. 2100) to authorize appropriations for fiscal years 1992 and 1993 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. All points of order against the conference report and against its consideration are hereby waived. The conference report shall be considered as having been read when called up for consideration.

The SPEAKER pro tempore. The gentleman from Tennessee [Mr. GORDON] is recognized for 1 hour.

Mr. GORDON. Mr. Speaker, during consideration of this resolution, all time yielded is for the purpose of debate only. At this time I yield the customary 30 minutes, for the purpose of debate only, to the gentleman from New York [Mr. SOLOMON], pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 281 provides for the consideration of H.R. 2100, the conference report on the national defense authorization for fiscal years 1992 and 1993. The conference report is debatable for 1 hour. The rule waives all points of order against the conference report and against its consideration. The rule also provides that the conference report be considered as read.

Mr. Speaker, H.R. 2100 authorizes the appropriations for the military activities of the Department of Defense, for military construction and for the defense activities of the Department of Energy.

Chairman ASPIN and the ranking member, Mr. DICKINSON, should be commended for hours of long, hard work. The stunning world events in Eastern Europe, the failed coup in the Soviet Union, and the valuable lessons learned in the Persian Gulf left the Armed Services Committee with the task of reassessing our current policies and determining how best to prepare our na-

tional defense for similar contingencies in the future.

The conference report places emphasis on conventional weapons and a greater focus is placed on the ability of U.S. troops to respond anywhere in the world quickly and efficiently.

Again, I commend the Armed Services Committee for its hard work and I urge my colleagues to support the rule.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I might consume.

Mr. Speaker, I rise in support of this rule, in spite of the fact that it waives all points of order against the conference report. I do so because the waivers are all agreed to by both sides of the aisle, Democrats and Republicans, and by the White House; also so that this House can take this wide-ranging legislation up on the floor today in a timely manner.

Indeed, this is a broad measure covering a range of vital defense and national security activities, activities authorized at a total of $291 billion in fiscal year 1992, and as reported from the conference committee the bill reflects many of the major changes that have occurred in the international sphere in recent years. Those changes include the Soviet Army's withdrawal from Eastern Europe, the end of the Warsaw Pact military alliance, the fall from power of the Communist Party in what is now the former Soviet Union; and, last but not least, the announcement by President Bush after taking all these changes into account that he will scrap thousands of our nuclear warheads and take still others off their longstanding alert status.

Yes, Mr. Speaker, this conference report reflects those changes, but it also takes into consideration some facts that have not changed. And what are those facts?

First, our successful military campaign to free Kuwait from Iraqi occupation has shown that we need to keep a defense structure adequate to meet a wide range of possible contingencies, primarily in the area of conventional weapons, but certainly in the area of defense against missile attacks as well.

□ 1510

And that threat is not over. This bill reflects that.

Second, President Bush and Secretary of Defense Cheney have already undertaken graduated, well-considered reductions in our Defense Establishment, reductions that will total at least $180 billion in deficit reduction under last year's budget agreement, and that will reduce our military force structure and personnel by roughly 25 percent over 5 years. This bill reflects that change, too.

Third, and finally, Mr. Speaker, for young men and women—particularly those from rural districts such as those that I represent, our armed services have provided, and will continue to provide, a tremendous opportunity, not just to serve our Nation, but for personal advancement as well—in their careers, in their educations, and socially.

For them, their military training and experience often serve as the equivalent of a college degree. I believe that this conference report reflects that as well, and, while preserving our defense structure, it also preserves opportunities for such young men and women to serve our country in the future; that is terribly important.

Beyond that, Mr. Speaker, the conference report contains approval of Secretary Cheney's request for a Voluntary Separation Incentive Program and this is a program to help voluntarily departing service men and women in their transition to civilian careers, as force reductions are implemented over the next few years.

This provision is the main reason for waiving points of order against the bill, since it was not included in either the House or Senate version when it left this House.

Finally, Mr. Speaker, I am pleased that the more controversial provisions, such as allowing $1 billion to be taken from our defense budget and sent as aid to the former Soviet Union, have been deleted from the conference report.

You know, Mr. Speaker, the very thought of even considering such a proposal is revolting to the American people, who for years suffered great financial sacrifices to build up our own military, to protect us from the mighty Soviet military threat that sought to spread deadly communism around the world and defeat our own democracy here at home.

Mr. Speaker, as I have pointed out, we are already cutting back on our military, and that means that over 500,000 young Americans, men and women, in uniform today, will be forced out of the military. Cutting another billion from our Defense budget, and giving it to the Soviets, would mean laying off still more American soldiers—while paying the salaries of some of the more than 4 million Soviet troops still under arms today. Mr. Speaker, that is not only revolting, that is totally outrageous.

Last, Mr. Speaker, this Congress has, through its irresponsible spending, turned our great country into a debtor Nation, and this year alone we will add another $350 billion to the $3.5 trillion dollar debt that we have saddled the American people with.

The annual debt service alone is now over $300 billion, an amount even greater than what we spend on our entire defense budget for any one year.

The point is, Mr. Speaker, we don't have any money to give anybody, much less the Russians, who, in large part, are responsible for most of this fiscal mess we find ourselves in today.

So, Mr. Speaker, since the Soviet aid has been dropped from the conference report, I urge all Members to vote for the rule and support me in voting for the bill.

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

Mr. GORDON. Mr. Speaker, for purposes of debate only, I yield 11 minutes to the gentleman from California [Mr. DELLUMS].

Mr. DELLUMS. Mr. Speaker, I thank the gentleman for yielding this time to me and his generosity.

Mr. Speaker, I rise in support of the rule and would only seek this amount of time in order to make a number of comments with respect to the conference report that will not be available to me during the hour of debate on the conference report itself.

Mr. Speaker, as Chair of the strategic panel during conference, it was my responsibility to negotiate not only two of the most controversial issues in the conference, the B-2 and SDI, but many other issues as well.

I would like to discuss a few of them now.

Mr. Speaker, the conferees agreed to continue funding for the national aerospace plane at a level of $200 million, but put the administration on notice that the committee would not continue to support this program unless adequate funding is provided in the outyears by both NASA and the Department of Defense.

Another program that is supported in this conference report is the B-1B bomber.

Although some of the Members of the other body argued that we should consider mothballing the B-1 and using the so-called savings from mothballing the B-1 to purchase more B-2 bombers, it made no sense to this gentleman and others who made up the conferees on the House side to remove a plane that has been operational for less than 5 years and on which we have already spent $28 billion in order to save about $1 billion on programs that could make the B-1B an effective strategic and conventional bomber well into the next century.

As a result of the announcement made by the President on September 27, the conference agrees to the cancellation of the rail garrison MX missile, the SRAM-II short-range attack missile, and the SRAM-T short-range attack missile, tactical, that was terminated in the House bill several months back.

While the conference did not agree to cancel the mobile basing for the small ICBM as requested by the President, the conference did prohibit the obligation of any of the funds authorized for small missiles until the President confirms to the Congress that he is going to proceed with the mobile-basing concept. It was the feeling of the conference that, without a mobile-basing option, it made no sense to continue development of the small missile.

The conference report also continues the prohibition on the testing of the MIRACL, antisatellite laser, against an object in space for 1 more year.

Finally, I would like to turn to the two major issues addressed by the strategic panel, the B-2 and the SDI.

I would now like to take a few moments to describe to the Members exactly what happened with the B-2 Bomber Program.

As you remember, the House denied all authorization for the procurement of any additional B-2's, while the Senate fully funded the administration request of four aircraft to the tune of $3.2 billion. We both continued funding for research and development aircraft. The conference agreement provides $1.8 billion in general procurement funds for the B-2 bomber and another $1 billion for the probable procurement of 1 additional B-2 bomber above the 15 already previously authorized.

However, that authorization is only made available if both Houses of Congress, Mr. Speaker, vote to release the money and authorize the aircraft by a subsequent vote.

In the humble opinion, Mr. Speaker, of this gentleman, such a vote is not going to pass the House and, presumably, would not even pass the Senate, given the close vote only 2 short months ago.

So we are allowing $1.8 billion to be spent on procurement.

What is important to note is that money, an incredible sum, in my opinion, is for the purpose of maintaining the vendor base for the B-2. First priority should be given to buying out the necessary parts and equipment necessary to build and maintain the aircraft that have previously been authorized, as was allowed with the funds authorized last year, and to working on problems that the program has encountered in the area of low observability of the aircraft.

We expect the Department of Defense to continue to follow the pay-as-you-go principle for the B-2, as was established by the House in last year's conference report.

I would like to underline that these funds cannot be used to purchase any additional aircraft. It is this Member's opinion that there can be no additional B-2's beyond the 15 already authorized, without the subsequent authorization by Congress. And I will say to you, Mr. Speaker and Members of this body, you can rest assured that the committee will be watching closely how these funds are expended.

Finally, I would like to turn to the SDI Program and make a few brief remarks.

While I believe that the House version of the authorization bill was closer to reflecting an understanding that the world is changing, the conference report appears to still be overwhelmed, Mr. Speaker, by the cold war thinking that continues to prevail in the other body.

I believe that we have a long way to go before we can say that the spending priorities which the conference report represents are reflective of current global and domestic realities. The single most disturbing and most disappointing element, Mr. Speaker, in this conference report is the direction in which the Congress is heading on the strategic defense initiative, or the missile defense proposal, as it has come to be known.

□ 1520

Mr. Speaker, my position is and has been clear as a cosponsor of the Dellums-Boxer-Andrews amendment which would dismantle the strategic defense initiative organization and would return SDI research to a basic research program. I continue to believe that this program is more dangerous than worthwhile. The most dangerous aspect is not necessarily, Mr. Speaker, the drastic increase in spending, which is a reality, but in the fact that, as it is structured, it is structured as a deliberate amendment to erode the Antiballistic Missile Treaty, what we refer to as ABM. This treaty has served as an important firebreak in terms of arms control, Mr. Speaker.

Further, the offensive arms cuts which have been agreed to under the START Treaty are partly dependent on continuing observance of the ABM Treaty. While it directs the preparation for near-term deployment of a so-called treaty compliant, 100-interceptor ABM system at a single site, Mr. Speaker, it describes this step as the initial step toward a national defense.

We have crossed, Mr. Speaker, in this gentleman's opinion, the psychological and political threshold taking SDI from research to deployment, and, as I see it, this may very well be the first step in a series of steps that takes us to multiple sites, to an even larger system, to greater deployment of a weapons system that we in this House have looked at with a great deal of caution and concern.

Mr. Speaker, the conference agreement urges the President to enter into, quote, immediate discussions with the Soviet Union on the feasibility of amendment the ABM Treaty that would permit multiple ABM sites, space-based battle management sensors and unspecified relaxation of limits on ABM testing. These would not be minor technical changes to the treaty, but can only be seen as attempts to undermine, Mr. Speaker, the spirit of the treaty and eventually the substance of the treaty.

Mr. Speaker, the Committee on Government Operations' Subcommittee on National Security and Legislation held hearings recently which posed the question: Where is the threat? Expert witnesses concluded that the Soviet safeguards against accidental launch are sufficient and that there are no new additional ICBM threats from Third World countries that would justify the kind of SDI program represented in this conference report.

Finally, many of my colleagues have been very congratulatory to the House conferees' ability to maintain the House position which for the third year prohibits the procurement of new B-2 aircraft, and I think that that is a significant step, as I said earlier, the House attempt to turn a significant corner. I think we have a long way to go. I think we stood our ground on B-2. I think that that was a significant victory, and many of us have stated publicly, many of my colleagues have stated publicly, that this is the principal reason for their support for the conference report.

However, Mr. Speaker, I remind the House that in SDI this body killed brilliant pebbles and separated out theater missiles defenses. The conference agreement, contrary to the House position, funds brilliant pebbles at a level of $390 million, although it continues to be a research program and follows the Senate on keeping theater missile defense in the program. However, Mr. Speaker, I must point out that, if my colleagues read the conference report, there are strict limitations that preclude the SDI office from using theater missile defense funds for any other category of SDI. I think that that is important. The House funded SDI at $3.5 billion overall. This bill in the conference spends $4.15 billion.

Mr. Speaker, the House prevailed to an important extent on B-2, but most observers agree that the major shortcoming of this conference report is in SDI. We were negotiating with the Senate, who had debated these matters, and we had not debaated these matters in the House. It seems to me that the battle lies in the future. The question of erosion of ABM, the issue of the future of billiant pebbles, are going to be the controversial matters that come before this body in the next year.

However, Mr. Speaker, it is important as such that a vote in favor of this conference report should not, and in my opinion, Mr. Speaker, cannot, be seen as a House endorsement for these radical changes in the direction of SDI. We must now debate these matters in the future. We must go to the conference with the other body next year having very carefully thought through these matters so that, when we are negotiating next year, we are not negotiating against the backdrop of the disadvantages we have this year.

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. MCEWEN], a member of the Committee on Rules.

Mr. MCEWEN. Mr. Speaker and my colleagues, up until Friday this conference report carried a very irrespon-

sible provision. Fortunately it has been extracted, but I would like to put the administration on notice that many of us in this House are strongly opposed to the suggestion that the American Government go out and borrow on the open market a billion dollars and then transfer that to the disintegrating Communist center in Moscow. We simply have not the wherewithal, if we had the capacity, and we certainly have sufficient common sense to know that we, the American taxpayer, that have borne the cost of freedom, that have borne the burden of the battle for the last 45 years of the cold war, now seeing the fruits of our labor bringing democracy and freedom to the rest of the world, should not now burden the American taxpayer with the capacity of funding the collapsing, failing Communist center in the Soviet Union.

Let me just give my colleagues a couple of quick facts. Over the last 12 months alone; I am not going to talk about the fact that they outnumber us 4 to 1 in all these various categories, 6 to 1 or 24 to 1; just in the last 12 months alone the Soviet Union has constructed 1,300 tanks, 575 fighters, 4,400 fighting vehicles. That is, as my colleagues know, also effectively used in the Middle East; 125 ICBM's, that compares to 4 in the United States; 125 ICBM's just in the last 12 months alone, 1,300 surface-to-air missiles, 11, they floated 11, new submarines in the last 12 months and constructed 40 new bombers. My colleagues know that the United States has only built 105 new bombers since 1952, and they built 40 in the last 12 months.

So, I would say to my good friends, the negotiators down at Foggy Bottom, that before they think about asking the American taxpayer to pay more to bail out that Communist system, that they negotiate a little bit and say, "If you make a few less bombers, and you make a few less fighters, and if you make a few less ICBM's, all targeted at American cities, maybe you'd have some money to do these things," and that should be in the mix first.

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from South Carolina [Mr. SPENCE], a member of the Committee on Armed Services.

Mr. SPENCE. Mr. Speaker, I rise in support of this rule. I will vote for this conference report. It makes some, but not all, of the right investments, in the people and weapons needed to deter or fight a war.

While smart weapons receive most of the attention of the press, people are the ultimate smart weapons. Our servicemen and servicewomen get a fair treatment in benefits in this bill. But their ranks have been thinned out too fast. They need breathing space and more choices to help them ease back into civilian life.

Mr. Speaker, the treatment given our National Guard and Reserves is another fair investment. They proved their worth in the gulf. Many served long after our regular troops came home from Desert Storm.

□ 1530

It would be unwise to cut back too drastically on this vital backup force of dedicated citizen soldiers. They are an even better investment when Active Forces are being slashed.

Mr. Speaker, despite some of the right decisions made in this bill, illusions, spawned by wishful thinking, threaten to shape the wrong investments in future defense budgets. The most popular illusion is that the end of the cold war will bring a huge peace dividend to be spent on other things. It will not. Whatever is slashed from future military spending should be used to reduce the budget deficit swollen by years of Federal spending sprees.

The most dangerous illusion is that with communism declining, it is appropriate to make drastic cuts in our Armed Forces. That argument sounds familiar because America accepted it after World War I and after World War II and after Korea and Vietnam. Sadly, these lessons that we learned are easily forgotten.

Disarming is the impulse after the fanfare of victory. We should not allow this to happen. Current threats must be taken seriously, and realistic plans made for the unexpected ones. Before long, nuclear bombs and ballistic missiles will become power equalizers for Middle East and Southern Asian countries.

As for the Soviets, a war with them seems remote. But their unsettled situation should concern us. Despite promised cutbacks, their military spending and weapons production outpaces ours in many areas.

Mr. GORDON. Mr. Speaker, for purposes of debate only, I yield 10 minutes to the gentleman from Wisconsin [Mr. ASPIN], chairman of the Committee on Armed Services.

Mr. ASPIN. Mr. Speaker, let me thank the gentleman from Tennessee [Mr. GORDON] very much for yielding this time to me.

Let me talk a little bit about some of the provisions in this bill, and let me just talk a little about one provisions that is not in the bill, a provision that I am sorry is not there, and that is this issue of Soviet aid, the issue of the $1 billion of Soviet aid to help the Soviets in this emergency to get through this winter, to get through the problem of the shortage of food and medicine and perhaps to help a little bit on dismantling some of the nuclear facilities and other military facilities in the Soviet Union.

We cannot pick up a newspaper or a magazine article without talking about or hearing about the problems in the Soviet Union, about food being rationed in Moscow. Food riots have already come to Armenia, and Soviet Georgia reports critical medical shortages. In Riga, the trouble was over fuel. Just this morning the Pentagon clips say that one article from the Baltimore Sun says, "Soviet nuclear scientists ripe for offers from highest bidders." A second one from the New York Times says, "U.S. aides worry about the spread of arms from sales by the Soviet Union."

The issue here is the disintegration of the whole Soviet structure and what happens to the military equipment and, in particular, the nuclear weapons and the people who know how to make them. That is the thing that the gentleman from Georgia, the senior Senator from the State of Georgia, and I were trying to address in a provision we had in our bill originally and in this conference report, a provision which has been subsequently dropped.

There were two provisions. One was antichaos aid. The initiative would authorize President Bush to use the Pentagon funds to alleviate food and medicine shortages this winter. It involves the enormous logistic ability of the United States military in the delivery of these items to the Soviet people. Transportation disruption problems are even more severe than food shortages, making U.S. participation crucial.

The second part of the proposal was defense conversion. Over the longer term, dismantling the Soviet nuclear arsenal and reducing its military-industrial complex are keys to preventing the reemergence of the Soviet military threat. This initiative would make a start toward both.

The basic point here, Mr. Speaker, is that what we are trying to do here is important for two reasons for the national security of the United States. First, it is clearly in our interest to forestall chaos in a country with nearly 30,000 nuclear weapons. If the central government disintegrates and severe shortages tear at the Soviet social fabric, the command and control of nuclear weapons would be severely weakened. We have seen reports of strategic SS-25 mobile missile units threatening to return to the base if the men are not fed, and other reports say that Soviet rocket troops have gone foraging for food in the countryside and fishing in the nearby streams to feed themselves. If these troops are hungry, they do not maintain the command and control over the weapons that they should have, and that is a danger to the United States. If these people who make these weapons are unemployed and they go out to the highest bidder and go to work for Saddam Hussein or Iraq or Qadhafi in Libya or Syria or North Korea, or in any one of three of four other countries, that is not in the security interest of the United States.

The basic point here is that the weapons themselves and the people

who know how to make them are going to be loose if the whole structure of the Soviet Union becomes untangled, and if you have a situation where you have famine, you have shortages of food, and you have shortages of medicine and you have no jobs for these people to do, with no way for them to make their own livelihood, they are going to go to the higher bidder. What we had here was a program to offer them some alternative, hopefully an alternative that was something that would be safer for the United States.

There is a second point here. There are a lot of people here who are interested in getting some money out of this defense budget in the future for U.S. domestic purposes here at home. The candidates are, first of all, health care. A lot of Members are talking about having a health care program.

Second, people are talking about tax cuts, further cuts for the American taxpayer, middle-class tax cuts. I hear people talking about the need to spend money on infrastructure, education, highways, and a number of other things that all cost money. People want to reduce the deficit. This is an enormous deficit that we are carrying, and people want to reduce the deficit.

There are a lot of people lusting after this $300 billion defense budget in the out years to get money for all these other purposes and for all these other programs. An absolutely key ingredient to being able to reduce the defense budget in order to get the money for these other purposes is the fact that the reform agenda must stay in place in the Soviet Union. If the hard liners return, if there is chaos with nuclear weapons, there is no chance we are going to be able to reduce the defense budget as much as people would like in order to fund these other programs.

If the reform agenda stays in place, there is a chance we will be able to reduce defense expenditures further than the amount that is planned in the 25-percent reduction over 5 years that Secretary Cheney and Colin Powell have put together. It all depends on what will happen in the Soviet Union.

So for that reason, if for no other, people ought to be interested in making sure that the Soviet Union does not distintegrate and the central focus of the Government does not come unglued. That is the issue.

What we are proposing here or what we had proposed and had to take out of the bill was a $1 billion insurance program. It was essentially $1 billion now, that we spend $1 billion now to save more billions in the future. It was a $1 billion insurance program to try and make sure that the reformers stay in office, that there is no chaos with nuclear weapons, and that the United States remains able to cut defense expenditures and would be able to maintain the defense of this country. Basically, that is what the program was. It was essentially a hope that we would have here a defense by another means. It was $1 billion out of the defense budget. It was a different kind of defense, but it was defense nevertheless. But because of political problems, our insurance policy against nuclear weapons and the return of dictatorship in the Soviet Union is not to be in this year's defense bill which is under consideration today.

But I want to point out that most of this defense budget is an insurance policy against things that may not happen but which would be terrible if they did. And like other kinds of insurance, this Soviet insurance package may not be needed if we are lucky. The Soviet insurance package may not be needed, and it may not be used. Maybe there will not be a need for it, and maybe there will not be chaos in the Soviet Union with all its nuclear weapons. Maybe there will not be another coup, or if there is another coup attempt, maybe it will not succeed. Maybe we will be lucky, but if we are not, the Soviet people will not be the only losers.

□ 1540

Mr. GORDON. Mr. Speaker, for purposes of debate only, I yield 3 minutes to the gentleman from Iowa [Mr. NAGLE].

Mr. NAGLE. Mr. Speaker, I appreciate the opportunity to speak on this today and particularly to follow the distinguished gentleman from Wisconsin [Mr. ASPIN], because I watched with great interest the insurance policy initiative in the Department of Defense that he and the distinguished Senator from Georgia attempted to initiate, and saw it regrettably lost.

Mr. Speaker, I would submit that was bold and innovative, and that is the very thing we need to do with regard to the Soviet Union and our relationship with them today. I have taken the time to study extensively that situation. I have developed considerable contacts within the Soviet Union. Others with more extensive contacts than mine have been kind enough to share their information with me.

Mr. Speaker, I would submit for the RECORD that the situation in the Soviet Union is utter chaos. Winston Churchill once said it was a mystery wrapped in an enigma surrounded by a riddle, or in some order thereof, but what it is today is chaos piled upon upheaval surrounded by incomprehension.

The truth of the matter is the situation over there has deteriorated to the point of almost beyond redemption. Ministries that are created to serve the people disappear overnight. Food drives take place. Soviet troops leave unattended and unguarded nuclear missile sites while they scrounge for food in the countryside. Ethnic tensions are at an all-time high.

There is, for example, somewhere a myth in this country that there will be one Russian federation. More likely there will be 30 provinces, some with nuclear capability and some without.

Mr. Speaker, the United States has an enormous stake in seeing that there is an orderly transition in the Soviet Union to, first, a free society, and second, a market economy that functions.

That is not going to happen this winter. Indeed, the opportunity for it may be lost. A hungry people do not make rational decisions. People set about by strife in a falling economic system do not make rational decisions.

Unfortunately, the Nunn-Aspin initiative was lost to politics, sadly. There is a need now and the American public does not understand fully or comprehend why there is a necessity to give assistance and credit to the Soviet Union. People do not understand why now we should be giving that assistance, either in the form of credit or humanitarian aid.

The Democratic step forward to join with the administration was lost on this occasion. It does not have to be lost in the future.

The initiative of the gentleman from Wisconsin [Mr. ASPIN] and the gentleman from Georgia of the other body has to be seized again and brought forward and a comprehensive plan developed with bipartisan support on both sides of the aisle. It is in our national interest to do so.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume to respond to the gentleman from Wisconsin [Mr. ASPIN].

Mr. Speaker, let me read into the RECORD a recent op-ed piece titled "Moscow Needs To Learn Self-Help Before It Can Use Our Help."

The only sounds coming from Moscow these days which are louder than the crash of the Soviet system itself are the cries for outside assistance. The industrial democracies of the West, led by the United States, have been put on notice that dark and disastrous consequences will ensue in whatever is left of the Soviet Union if massive amounts of assistance are not made available—immediately.

This focus on outside assistance as the solution to what ails the collapse of the Soviet system is as unrealistic as it is misguided. It is unrealistic because no amount of aid (i.e. money) is sufficient, in and of itself, to rescue the situation. The dimensions of the problem can be illustrated by drawing a comparison with the former East Germany.

The German government has embarked on a 10-year program of rebuilding and rehabilitating the eastern provinces that comprised the former East Germany. The estimated price tag: $500 billion. If it takes half-a-trillion dollars to rebuild a nation of 17 million people, the supposed "showcase of the Warsaw Pact" to boot, what will it cost to bring a nation of 280 million people out of its de facto Third World status?

The focus on outside assistance is equally misguided because now is the time more than ever before to compel Moscow to look inward toward itself as the solution to its own problems. The United States has led a 40-year effort to protect the industrial democracies of the world from the expansive

virus of Soviet communism. Our expenditure of money, energy, and resources was so intensive and prolonged that even so experienced an observer as President Eisenhower feared for the long-range survival of our democratic institutions.

To turn around now and think we have to expand even more of our (dwindling) treasure on Moscow is a monumental folly. Moscow has to be compelled to marshal its own resources in support of solutions to its own problems. Whatever may be the present disarray, Moscow still commands the world's largest oil reserves, stockpiles of strategic minerals and metals equalled only by those in South Africa, and a host of other natural and human resources that must be put to work.

In short, the help Moscow really needs is guidance on how it can best help itself. Looking for outside bailouts is not the answer. What, then, should be the emphases that the United States and the other industrial democracies should place in their new dealings with Moscow? For starters, I can make three suggestions.

First, the value of the Russian ruble has to be stabilized at a realistic level and made convertible with other currencies. All of the other essential economic reforms—protection of private property and investment, establishment of a legitimate banking system, and the deregulation of a mercilessly overmanaged economy—are dependent on having real money to function with.

Some of Moscow's vast gold reserves could be placed on deposit with the central banks of the industrial democracies which would then be able to take coordinated action aimed at integrating the Russian ruble into the global financial system. Having gold on deposit would provide an important measure of stability to the institutions and markets that will have to make significant adjustments in the coming years in order to accommodate the reentry of countries from the former Soviet bloc into the world's markets and trading regimes.

By providing the necessary gold as a tangible contribution toward international financial stability, without which the ruble will continue to be worthless and the prospects for genuine economic reform and development will be minimal, Moscow would be taking an enormous step on its own behalf. Such a step would bolster confidence, both at home and abroad, in Moscow's commitments to reform—and it is immeasurably preferable to sitting around waiting for a handout.

Second, Moscow has to demonstrate, once and for all, a commitment to feeding its own people. As the largest country on earth, Russia has never had a shortage of farm land; indeed, the sheer size of its agricultural areas dwarfs those of any other country in the world. But the monstrous inefficiency wrought by the dictates of central-planning and collective farming have reduced this richest of nations to beggar status.

These economic controls have to be lifted—now! When Moscow demonstrates an irreversible policy of relying on private initiative to properly develop the agricultural sector of the country, Western aid of a technical and advisory nature would be an appropriate way to help the construction of an adequate food distribution and storage network. As it is right now, anywhere from one-fourth to one-half of such fruit and vegetable crops as are being grown end up rotting before they even reach the markets.

For as long as Moscow remains a net food importer, those nations such as the United States which are providing the food and other kinds of necessary assistance should do so only at cost—in exchange for hard currency or other tangible assets. In the meantime, ground forces in the Soviet military could and should be put to work helping with the harvest. The Soviet military is the only institution in the country which has the manpower, the command structure, and the logistical capability to move produce to the markets with a reasonable degree of effectiveness.

The failure of Russia to feed itself is perhaps the greatest single scandal of 20th century communism. The cycle of dependency by which Moscow relies on other countries for its own food has to be broken if the country (or countries) which is emerging in the wake of the Soviet Union is ever to be a viable member of the world community.

Third, and finally, Soviet industry must be redirected toward the civilian sector and the production of consumer goods. At present, more than one-half of all the industrial activity in what we have known as the Soviet Union is still military-related. It is this overwhelming emphasis on maintaining military power at any cost which has been the greatest source of tension and instability in the modern world, as well as being the principal reason why the citizens of so rich a nation are forced to live as paupers.

In order for democratic and economic reforms to have a chance of succeeding, there is a desperate need for people to have hope and to see some tangible signs that conditions are getting better. In the immediate future, if only to buy time by creating the illusion that things might be getting better, Moscow needs to begin importing consumer goods as it has never done before.

If Moscow needs some money to this end, it can scrape up more than enough on its own by ending the subsidies and other aid programs (in the amount of $20 billion annually) which have been going to Cuba, North Korea, Afghanistan, Vietnam, and a number of other countries which have been actively hostile to the interests of the United States and the other industrial democracies from which Moscow is now so desperately seeking assistance.

If Moscow were to end its subsidies to its totalitarian clients (who are inevitably doomed, too) and use those resources instead to give its own people a taste of the benefits that life in a free society affords, it would be making a good start toward reducing suspicions abroad and building up goodwill at home. And Moscow will need all of the domestic goodwill it can muster to weather the storms that lie ahead.

Moreover, the industrial democracies have every right to expect the dismantlement of the Soviet military/industrial complex as a condition for assistance in the future, as well as for the maintenance of stable and mutually beneficial relations now. Moscow's announced intentions to reciprocate fully President Bush's initiative for reductions in strategic and tactical nuclear forces, to make substantial reductions in military personnel, and to end forced conscription in favor of moving toward an all-volunteer force are welcome steps. But breaking a decades old psychology that relies solely on military force as the ultimate guarantor of political power may prove to be a very difficult task.

Western aid of a technical and advisory nature to assist Moscow in its attempts to establish a civilian economy are important and appropriate—at the proper time. That proper time will only come when Moscow reduces military spending to a level that is commensurate with the needs of a civilian economy. That level is approximately five percent of gross national product, a level that is less than one-third of what Soviet military spending has been consistently running since the height of the Cold War.

These three suggestions and the discussion that preceded them are not to be interpreted as a denial of the fact that whatever country (or countries) takes the place of the Soviet Union will need outside help. But they are meant to say that self-help must be Moscow's first and chief priority. Without self-help, positive steps to overcome the catastrophic legacy of communism, all of the outside help in the world is not going to make a dime's worth of difference.

Soviet communism is a discredited and defeated ideology, but much of its institutional legacy and residual psychological effect remains very much intact. What a tragedy it would be for the free world if, having won the cold War, It then squandered that victory by not insisting on the irreversibly dismantlement and dissolution of all vestiges of communism as the wages due to those who paid so great a price in subduing it. Americans, who bore the lion's share of the burden, should demand nothing less.

Mr. Speaker, I yield 5 minutes to the distinguished gentleman from New York [Mr. MARTIN], a member of the Committee on Armed Services.

Mr. MARTIN. Mr. Speaker, I am what is called a crossover member of both the Armed Services and Intelligence Committees. Therefore, I have taken particular interest in bill provisions to reorganize Defense Department intelligence.

These congressional initiatives frequently amount to a rebuff of Secretary Cheney's own ideas, which he began to implement less than a year ago. I sought the Secretary's reaction, and he told me:

> The provisions purporting to limit my authority to manage DoD intelligence agencies are highly objectionable. To maintain our national defense capability with shrinking forces and budgets, I need more flexibility, not less.

Congressional micromanagement is hard to justify. We thwarted Secretary Cheny's plans before they had a chance to prove themselves. And the whole move toward organization charts decreed by Congress, coupled with agency charters, inhibits the flexibility to which Mr. Cheney referred.

Congress' willy-nilly, ad hoc reorganization moves seem to lack an overall philosophy and vision. Or we do not appreciate their potential cumulative, practical effects. This legislation is patched together from the nearly untutored, last minute and often conflicting ideas of three committees. I have particular concerns about the future of DIA and of the Defense Department as a component of U.S. intelligence.

Everyone agrees that the Defense Intelligence Agency should be improved and strengthened. But this legislation seems to evoke a new vision of what DIA should become. The original concept was to develop it as a producer of finished intelligence analyses, and we

should think hard about whether we wish to make it more like an all-service intelligence agency, similar to the CIA. Moreover, we have unceremoniously and suddenly dumped many additional powers on an agency known for its managerial weakness. This may be DIA's ultimate undoing, rather than its salvation. And we might, in the process, debilitate the substantive areas we seek to strengthen—scientific and technical intelligence in particular.

Even our report language refers to a danger that DIA will attend first to its traditional, parochial interests, rather than leap into the objective arbitrator role that we so arbitrarily and suddenly thrust upon it. We have been assured that moneys newly controlled by DIA will merely pass through DIA quickly and routinely, in a mere paper transaction, for execution by the services. Warnings of legal, technical, and operational difficulties which could be severe in the short term have been brushed aside. And conferees certainly do not intend to create another layer of DIA bureaucracy, but this may very well be the result.

Our report has some harsh words about the staff of the General Defense Intelligence Program. But, while one can dispute some GDIP outcomes, this staff has a reputation for considerable efficiency in supervising a very large number of relatively small programs. And its clout grew largely because of a power vacuum and the disinterest of DIA, which was supposed to supervise it. Can DIA effectively take up the slack, without major damage to programs, if this staff suddenly is dissolved?

The truly big picture is what role we envision for the Secretary of Defense within intelligence community. I am frankly astounded that the Armed Services Committees have produced an authorization bill which so debilitates his position and appears to opt for a more powerful Director of Central Intelligence. And this despite the many historic complaints about national intelligence support to the operational commanders.

A more powerful DCI surely is one option for future intelligence community organizational changes. Another option would be to strengthen the Secretary of Defense—by integrating defense intelligence activities much better, centralizing authority and making it responsive to the Secretary, who then could become a player with influence possibly approaching or equalling that of the DCI. What bothers me so much is not the choice between these two models, but the fact that we appear to be choosing without knowing it, without giving the matter any thought.

The bill's move to reverse acquisition of power by the Assistant Secretary of Defense for Command, Control, Communications and Intelligence is a case in point. He is commanded to "do a better job of integrating the budgets and activities of all the NFIP components and DOD's Tactical Intelligence and Related Activities programs." But virtually all his leverage to do so is removed. This Assistant Secretary would have been Cheney's vehicle for coordinating and unifying the scattered components of defense intelligence, and for the accompanying accrual of centralized authority and power. With Congress' expressed determination to undermine that position, we can expect that the Secretary's position within the intelligence community will continue to atrophy. There are other ways in which the legislation seeks to protect jealously the DCI's authority over the National Foreign Intelligence Program, or to increase the DCI's authority over defense intelligence. One example is a new requirement that the Secretary of Defense consult with the DCI before appointing directors of DIA and NSA.

It is time to step back and ask whether this is truly the way we wish to go, or whether we are setting ourselves on a path we don't really want to traverse, through an inductive series of piecemeal proposals and compromises.

The time for ad hoc legislation such as this is past, if indeed there ever was a proper time for it. Before we reorganize, we should establish and fix indelibly in our minds the several major goals we seek at the end of the road. We have focused on the trees rather than the forest, and perhaps at the expense of the forest. We have micromanaged the minute details rather than studying and agreeing on our larger objectives. And the practical effect of our actions may actually undercut those smaller objectives we have sought. If indeed we do legislate major reorganization next year, I fervently hope it is drawn much more circumspectly, and only after a "great debate" which establishes a consensus on our ultimate aims and how best to achieve them. Lacking this, it would be preferable to do nothing.

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Alabama [Mr. DICKINSON], the ranking Republican on the Committee on Armed Services.

Mr. DICKINSON. Mr. Speaker, let me say I would like to rise to make an important clarification with regard to the signature pages accompanying H.R. 2100, the National Defense Authorization Act for fiscal years 1992 and 1993.

Mr. Speaker, it is not unprecedented, but it is certainly unusual, to have conditional signatures on the conference report. Normally you need a majority of signatures on a conference report for it to be accepted by the conferees.

We have a listing here of the signatures to the conference report, and it lists a number of names, some of which are followed by expressions of opposition to specific provisions.

□ 1550

First, this kind of approach is very confusing; second, it is very unusual. And third, it is setting a very bad precedent.

If I might have the attention of my chairman just to clarify a point, am I correct in my interpretation that the exceptions listed refer to all the signatures immediately above it? Is that the chairman's understanding?

Mr. ASPIN. Mr. Speaker, will the gentleman yield?

Mr. DICKINSON. I yield to the gentleman from Wisconsin.

Mr. ASPIN. Mr. Speaker, I do not think that is what it means. I think that the display here is not correct. I think it is only one of the Members that is listed here.

Is the gentleman looking at page 308 of the report?

Mr. DICKINSON. Reclaiming my time, no, Mr. Speaker.

Mr. Speaker, I rise to make an important clarification with regards to the signature pages accompanying H.R. 2100, the fiscal year 1992 Defense authorization conference report. As you can see, three of my Democrat colleagues on the Armed Services Committee have qualified their support for the conference report by indicating, on the actual signature pages, specific conference provisions that they do not support.

The first point I wish to make is technical. When one looks at these pages, they could be misinterpreted as meaning that large groups of committee members were qualifying their support for the conference report. Adding to the confusion is the fact that when the conference report was printed in the CONGRESSIONAL RECORD last Thursday, November 14, the signature pages appeared differently than they do in the printed copy of the report (H. Rept. 102–311), and appeared in a form that clearly indicated that large groups of conferees had explicitly qualified their support. Therefore, I just want to set the record straight on one point; the qualifying remarks on the F–14 and B–1B programs refer only to the Members whose name appears immediately above the comment and not to entire blocks of Members.

The second point I wish to make is process oriented. The idea of explicitly qualfying one's support for a conference report, in the report itself, is unacceptable to me and should be unacceptable to all of us—no signature is worth the precedent this action is setting. Every conferee who signed this conference report, on both sides of the aisle, objects to specific provisions in it—myself included. In addition, four of my committee Republican conferees refused to sign the conference report because of their objection to specific provisions. If we are going to start addressing Member's individual political concerns by allowing explicit qualifications, many of us, especially in the minority party, will start taking a different tact next year.

At least on the Republican side of the aisle, we have been trying unsuccessfully for years

to have those Members who refuse to sign the conference report listed as such in the actual report. If the committee does not put a stop to this questionable practice of Members explicitly qualifying support, there is certainly no reason why Members should be prevented from explicitly stating their opposition directly in the conference report.

In conclusion, I hope my chairman will work with me to address this problem in the future. Otherwise, it will not be long before the signature pages of our conference reports are many pages long with each and every Member indicating what they support and what they oppose in excruciating detail. In essence, we will have found a back door form of submitting additional and dissenting views on a conference report. This defeats the purpose of conference reports and should be stopped.

PARLIAMENTARY INQUIRIES

Mr. SOLOMON. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore (Mr. COLEMAN of Texas). The gentleman will state it.

Mr. SOLOMON. Mr. Speaker, is it possible to resolve this in a parliamentary inquiry? I do not have any time.

Mr. DICKINSON. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. DICKINSON. Mr. Speaker, I would like to know the meaning of the signatures on the conference report as set out in the conference report on H.R. 2100, where there are conditional signatures at the end of the conference report excepting some Members to a portion of it and excepting others as to different portions.

Either we have a majority of signatures on the conference report or we do not. I was asking the chairman, since I think he is probably the author, what it means.

The SPEAKER pro tempore. The Chair understands that three of the signators did so with a statement of exception. The form in which the signatures were printed in the RECORD made it appear that more than 3 Members did so.

Mr. DICKINSON. Mr. Speaker, if I might proceed further in my parliamentary inquiry, it makes no sense. It does not say what the Speaker has indicated was the intent. That is not what it says here.

And there are other additional exceptions to different names following. I just want a clarification as to what this is and what the procedure is. I do not know the correct forum in which to address this.

The SPEAKER pro tempore. The Chair would advise the gentleman that his point under these circumstances is not in the nature of a parliamentary inquiry.

Mr. DICKINSON. May I ask, Mr. Speaker, if this is a parliamentary inquiry, would it be possible under a unanimous consent at the present time to get 5 minutes to address this particular problem so that it will not be taken off the allotted time?

The SPEAKER pro tempore. The Chair would only advise the gentleman that the time is controlled by the gentleman from Tennessee and the gentleman from New York.

Mr. SOLOMON. Mr. Speaker, would it be possible for the gentleman to yield to me for a colloquy with the manager of the rule on that side of the aisle?

The SPEAKER pro tempore. Who yields time?

Mr. GORDON. Mr. Speaker, I yield 3 minutes to the gentleman from Alabama [Mr. DICKINSON].

Mr. DICKINSON. Mr. Speaker, if I might take this time to ask my chairman, what does this mean?

Mr. ASPIN. Mr. Speaker, will the gentleman yield?

Mr. DICKINSON. I yield to the gentleman from Wisconsin.

Mr. ASPIN. Mr. Speaker, this is my understanding. First of all, the rule does allow Members to sign a conference report with some proviso saying they signed with exceptions.

The second point is that there are three Members who signed with exceptions, not as one might tell by this.

The gentleman from New York [Mr. HOCHBRUECKNER] signed for all provisions of the conference report except failure to include the F-14 program. The gentleman from Virginia, OWEN PICKETT "for all provisions of the conference report except those relating to the F-14," and the gentleman from New York [Mr. MCNULTY] "for all provisions of the conference report except those relating to the F-14." The rest of the Members signed the conference report without any reservation.

Point No. 3 is, if we have the majority of the conferees signing the conference report, even if we took out these three that signed without the provision, it is a provision that is allowed in the law. I do not know for sure, to answer the gentleman's question, what the legal standing of this thing is.

Therefore, we got more signatures than we needed. But as the gentleman knows, the Members from New York, in particular the gentleman from New York [Mr. HOCHBRUECKNER] and the gentleman from New York [Mr. MCNULTY], were interested in the F-14 program.

The gentleman from Virginia, who is also interested in Navy aviation, although not specifically in Grumman, was also interested in the F-14 program.

So they signed it with this reservation which is their right under the law.

Mr. DICKINSON. Mr. Speaker, reclaiming my time. If this is the procedure we are to follow in the future, I can see us having a conference report with signatures excepting every member because he does not agree to specific provisions. If a Member does not agree to everything in here, he just does what was done here, which is very unsual, pick out these things that he does not like and say, "I except that," are we going to do this next year?

Mr. ASPIN. Mr. Speaker, if the gentleman will continue to yield, these three gentlemen are exercising their rights under the rule. These three members are exercising their rights under the rule.

It is not my choice that they sign with that provision. The rule allows them to do that and, as I say, I do not know what the legal standing of those signatures are. So we made sure we had more signatures even without, even if we did not count these three gentlemen, we had enough signatures to file the rule.

Mr. DICKINSON. Mr. Speaker, I can see that we are creating a thicket for the future there that Brer Rabbit sure would like to be thrown in.

I thank the gentleman for such explanation as there was, and I thank the gentleman from Tennessee for his indulgence on time.

Mr. SOLOMON. Mr. Speaker, I hope that the Committee on Rules could look into this procedure and perhaps straighten it out so we do not get into it again. I can see it happening again.

Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. DORNAN], a distinguished member of the Committee on Armed Services.

Mr. DORNAN of California. Mr. Speaker, I thank one of the stars of the Committee on Rules.

Mr. Speaker, given that briar patch that was just described a minute ago, I guess I could have signed the conference report with 10 exceptions, being a dual member of both the Committee on Armed Services and the Permanent Select Committee on Intelligence.

Let me just address why I am going to vote against H.R. 2100. First of all, on intelligence matters, Secretary Cheney chose to build up his Assistant Secretary of Defense for CCCI so as to centralize and focus intelligence management. This year we told him he could not do this despite prior congressional direction to improve intelligence management and cross-program analysis. In the past we even advised him to create a special assistant secretary slot for intelligence alone.

I will put in the RECORD my four or five other objections on the intelligence side of things and get to the substance of the bill, why I disagree with it on defense matters.

Mr. Speaker, as a member of both the Intelligence and Armed Services Committees, I am dissatisfied with the way this bill treats the Secretary of Defense's organizational prerogatives.

Secretary Cheney chose to build up his Assistant Secretary of Defense for Command, Control, Communications and Intelligence, so as to centralize and focus intelligence man-

agement. This year, we told him he cannot do this—despite prior congressional direction to improve intelligence management and cross-program analysis. In the past, we even advised him to create a special assistant secretary slot for intelligence alone.

The intelligence organization legislation in this bill is not only inconsistent with past directives, but also intrusive and sometimes impractical if interpreted literally.

It seems unlikely that DIA can within 5 or 6 weeks, over the holidays, completely take over two organizations. But that's what we tell them to do. Some say it's no problem, that a paper transaction will suffice; but those who worry about transferring all these accounts and about legalities are concerned. Obviously, they cannot be held to the letter of the law, which will have to be interpreted quite loosely.

The bill also says DIA shall provide "substantive intelligence" to the heads of CIA, DOD and JCS without "prior screening by any other official." Administration and congressional negotiators accepted this without quibble when told it targetted activities that would slant intelligence analysis.

But some are now claiming that screening should be interpreted literally. Webster defines it, inter alia, first "to examine and separate into different groups," and second, "to select or eliminate."

A literal interpretation, therefore, would mean that briefings and papers from DIA could not be reviewed first by assistants or subordinates, who usually select the best to fill the Secretary of Defense's limited time. Nor could assistants to the JCS Chairman sort his mail. Top officials could no longer even organize their personal offices as they saw fit. They might be unable to solicit opinions about substantive intelligence from their senior advisors, without having seen or heard all the relevent information first.

This would be an unrealistic, egregious and unconstitutional intrustion on executive prerogatives. Clearly such an interpretation was not intended by the conferees, no matter what some might now say.

Mr. Speaker, I rise today in opposition to H.R. 2100, the Defense Authorization Act for fiscal year 1992. I do so because in the words of author Robert Burton, I believe this legislation to be penny wise, pound foolish.

While we claim to save pennies on the Defense budget from year to year, we actually end up losing pounds or millions of dollars by wasting previously spent research and development funds in canceled projects, driving up unit cost of systems through reduced orders, and creating manufacturing inefficiencies in short-sighted year to year defense decisions.

For example, over half of the funding for a 75-plane B-2 program, some $33 billion, has already been spent. Perhaps we don't need 75 aircraft—which, by the way, already represents a reduction from the original Air Force requirement of 132—but we certainly need more than 15 to maintain any type of credible, long-range stealth power projection force. The administration's request for four aircraft at a total cost of $3.2 billion represents a modest but efficient production rate of this revolutionary aircraft, an aircraft that in a time of decreasing Defense budgets is exactly what we need, more bang for the buck.

However, under this year's compromise, only one aircraft—if even that due to other, complicated political requirements—will be built at an overall program cost of $2.8 billion to the American taxpayers. Excuse me, but I believe that one aircraft at $2.8 billion instead of four aircraft at $3.2 billion is not savings or a peace dividend, but rather is bad business, both economically and militarily.

Another example is the C-17, which is a revolutionary airlift aircraft. This bill reduces the administration's request from six planes at a total cost of $1.9 billion to four planes at a total cost of $1.5 billion. This change means that we will produce less airplanes, airplanes we will probably have to produce anyway due to the age of our current airlift fleet, for only a modest short-term savings that will result in long-term costs estimated close to $900 million.

Finally, this bill authorizes the production of four new F-117A fighters, aircraft that, despite recent success in the Persian Gulf, represent old technology and capability. In fact, these aircraft were not even requested by the administration and will require a complete restart of a production line that already has been closed. The $560 million needed to produce these aircraft is more than enough to ensure the efficient continuation of either the B-2 or C-17 production lines.

Fortunately, research and development for other revolutionary aircraft including the Air Force's F-22 Super Cruise air superiority jet fighter, the Superstar, the Army's RAH-66 armed scout helicopter, the Commanche, and the Marine's V-22 tilt-rotor transport aircraft, the Osprey, was preserved in this bill. However, if we continue in the future with such shortsighted budget decisions as we have this year with the B-2 and C-17, these revolutionary combat systems could well end up as expensive museum pieces rather than the tools of victory for the Desert Storms of the future.

□ 1600

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. MCGRATH], one of the ace pilots of the F-14 Grumman Program.

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

Mr. Speaker, I rise in opposition to the rule on the fiscal year 1992 Defense Authorization Act conference report.

Of course, Mr. Speaker, I am against anything that would legitimize this particular conference report. Mr. Speaker, I am disappointed that the conferees decided not to provide any funding for the F-14 fighter. I know some of my colleagues see this as a parochial issue and I would be less than candid if I did not admit there is some truth to that statement. But I must point out, Mr. Speaker, that the F-14 has many supporters from all parts of the country in this House, and they comprehend the capabilities of this fighter and understand its paramount role in the defense of our carriers.

Mr. Speaker, my arguments in favor of the F-14 are the same as when I came to Congress many, many years ago. In my mind there is no better first line of defense against enemy air attack than the F-14. It has distinguished itself in Operation Desert Storm and during several other periods of heightened alert of the United States naval forces. In short the F-14 is a proven fighter, an asset in the defense of this country and a genuine deterrent to those who attempt to penetrate our carrier battle groups.

My concern at this point, Mr. Speaker, is with the Grumman Corp. Plain and simple, if no funds are included for the F-14 in the fiscal year 1992 budget, Grumman will be out of the aircraft business. When the A-12 program was terminated in its infancy, steps were taken to preserve the industrial base of General Dynamics and McDonnell Douglas, even after these companies were cited for poor performance in the research and development of the A-12. Now Grumman is facing a situation where it will be forced to shut down all of its defense production line, marking an end to an era, a glorious era of Grumman naval aircraft.

If the conference report that is before us today passes, Grumman will be out of the prime aircraft manufacturing business in a matter of a few months. Despite the many studies performed by the Navy that verify the fact that the F-14 is the most capable aircraft in the performance of future naval missions, despite a rich history of the performance of the F-14 as we know it, the F-14 will no longer exist.

Mr. GORDON. Mr. Speaker, for the purposes of debate only, I yield 2 minutes to the gentleman from Vermont [Mr. SANDERS].

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

Mr. Speaker, I rise in opposition to this rule and in fact in opposition to the authorization. Mr. Speaker, we were considering a rule for a conference report calling for a $290.8 billion Defense authorization. On behalf of 5 million children who are hungry, on behalf of 9 million American workers who are unemployed, on behalf of 2 million homeless Americans, on behalf of school districts all over this country which lack the funds to provide a decent education for their kids, on behalf of 80 million Americans who either have no health insurance or are only partially insured I ask that we reject

this grossly inflated military budget and use the savings to reinvest in America and to protect the interests of our people.

Mr. Speaker, the cold war is over. The Soviet Union, our major adversary for 45 years, is in the process of disintegration. We can continue to have the strongest military presence on Earth but we no longer need to spend $290 billion a year on the military. Let us restore the cuts made in the Medicare Program for our senior citizens. Let us restore the unfair cut we made for our veterans, people who put their lives on the line but whose benefits we cut back on. We can do this because we do not have to spend another penny on star wars, we do not have to spend another penny on B-2 bombers, we do not have to spend over $100 billion a year defending Western Europe against the nonexistent Warsaw Pact. We can provide national health care in our country for all of our people because we do not have to spend such a huge amount of money on a cold war which no longer exists.

The SPEAKER pro tempore (Mr. COLEMAN of Texas). The Chair advises the Members that the gentleman from New York [Mr. SOLOMON] has 8 minutes remaining and the gentleman from Tennessee [Mr. GORDON] has one-half minute remaining.

Mr. SOLOMON. Mr. Speaker, I yield 3 minutes to the gentleman from Washington [Mr. MILLER].

Mr. MILLER of Washington. Mr. Speaker, I rise to point out a provision of this conference report that may escape the Members' notice but is of tremendous concern to POW/MIA's, to veterans groups, to all Americans concerned about those who went out to fight for their country and were taken prisoner. I am referring to the so-called truth bill that many of the Members joined me in cosponsoring, that bill providing easier access to information in our own Government files for those seeking information about POW/MIA's from earlier conflicts, particularly their families.

The Members will recall that last June 11 of this year the gentleman from Delaware [Mr. CARPER] and myself proposed this bill as an amendment to the intelligence authorization bill. It was adopted by unanimous voice vote. Senator MCCAIN in the Senate proposed a similar amendment to the Defense authorization bill over there, also adopted unanimously. It went then to conference, and what has happened to this bill as it comes back in this defense conference report? We have one-third of a truth bill. What has happened is the easier access is provided in terms of information for prisoners of war from the Vietnam conflict but not as it relates to those prisoners of war from World War II and Korea. Are they less significant? Were their efforts less important? Do they deserve to be shortchanged? I think the answer is obviously no.

We have one-third the truth bill here and that is a step forward, but I urge my colleagues to continue the struggle so that in the weeks and months ahead we make sure that we get a truth bill that opens up information in our files not only concerning POW/MIA's from Vietnam but the over 7,000 that were not accounted for from Korea and the over 70,000 that were not accounted for from World War II. This struggle must go on.

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Ohio [Mr. OXLEY].

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

Mr. Speaker, I rise in support of the rule as well as the conference report, particularly in regard to the M-1 tank provisions.

This particular conference committee report provides $50 million for research and development on the tank, $225 million in advanced procurement for upgrade programs, which is essentially important for upgrading the old M-1 and the M-1A1's and eventually the M-1A2, and $90 million for 60 new M-1A2 tanks.

The M-1 Abrams tank proved to be worthwhile in the Persian Gulf. It performed admirably. The 1,956 M-1A1's in operation Desert Storm performed superbly at operational rates that exceeded 95 percent. T-72's were destroyed at ranges in excess of 3,500 meters. On seven separate occasions when the M-1A1 was attacked by the T-72 tank rounds, the M-1A1's sustained absolutely no damage. As a matter of fact, there were only two that were out of commission at all for any particular amount of time, and that was for a matter of hours until the treads could be replaced.

Colin Powell said in his briefings, when the M-1A1's engaged Iraqi tanks they were 100 percent effective. The M-1 provisions in the conference report will enhance America's ground operations capability. It will bridge the capability gap until the block III production begins. It will preserve the tank's industrial base and will support military sales to our foreign allies. I ask for support of the rule and the conference report.

□ 1610

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Pennsylvania [Mr. WALKER].

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

Mr. Speaker, I rise in favor of the rule but against the bill.

The purpose of this bill, which is to provide for the national security of the United States, is being perverted for industrial-policy purposes. Title VIII, on which I was a conferee from the Committee on Science, Space, and Technology, dumps over a quarter of a billion dollars into commercial product development. At the same time, the Democratic-Socialist coalition that is in the majority in this House is placing America at risk by savaging defense spending.

They are further pulling this kind of backdoor stealing from military research and development. This is another clear violation of the spirit of the budget agreement, something those in the majority have made rather habit forming.

This bill mandates centralized economic planning by requiring the President to develop Federal strategies for selected technologies. It has been decided that we will not bail out the Soviet Union in this bill to the tune of a billion dollars of taxpayer money; instead, what we are going to do even more disastrously is we are going to adopt their controlled economic approach.

This is not to say that the Federal Government does not have an important role to play in supporting the private sector's development of commercial technology.

Earlier this year we did just that in the American Technology Preeminence Act reported by the Committee on Science, Space, and Technology. That bill provides $350 million in R&D resources plus it develops policies to reduce the cost of capital. That is the right approach to take.

The approach in this bill is disastrous.

Mr. SOLOMON. Mr. Speaker, I yield the remainder of my time, 1½ minutes, to the gentleman from Colorado [Mr. HEFLEY].

Mr. HEFLEY. Mr. Speaker, I thank the gentleman very much for yielding me this time.

Mr. Speaker, I rise in support of the rule and final passage of H.R. 2100, the defense authorization bill.

You know, the Federal Government, the most important function it has is to defend the country. If it does not do that, well then, nothing else matters very much.

We still live in a very dangerous world. The Soviet Union has an estimated 28,000 warheads still in existence, and no one, not Dick Cheney or even Mr. Gorbachev, can tell you who is going to own those warheads when all of the Soviet Union's so-called disintegration takes place. We do not know who is going to own the technology that produced those warheads and where that technology will go.

We still need to defend the country, and this is not a perfect bill. It is not exactly the way I would have done it. Maybe we are cutting too much too fast in light of the unsure stability in many regions of the world.

The $291 billion level is within the budget agreement and within the president's request.

The funding for SDI could be better, but the $4.3 billion is a good step in the right direction.

Perhaps we are starting to see the light in terms of strategic defenses, that they are viable and that they are needed.

With a refocused system, we will begin to meet our needs in 1996.

The controversial $1 billion in Soviet aid has been pulled out of this bill. The programs to support our men and women in the armed services are in there, and may not be exactly as we would like them, but they are important.

I would encourage the support of the rule and of the bill.

Mr. SOLOMON. Mr. Speaker, I urge support for the rule.

Mr. GORDON. Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. ASPIN. Mr. Speaker, pursuant to House Resolution 281, I call up the conference report on the bill (H.R. 2100) to authorize appropriations for fiscal years 1992 and 1993 for military functions of the Department of Defense and to prescribe military personnel levels for fiscal years 1992 and 1993, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. COLEMAN of Texas). Pursuant to House Resolution 281, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of Wednesday, November 13, 1991, at page H9868, Volume 137).

The SPEAKER pro tempore. The gentleman from Wisconsin [Mr. ASPIN] will be recognized for 30 minutes, and the gentleman from Alabama [Mr. DICKINSON] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Wisconsin [Mr. ASPIN].

Mr. ASPIN. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I rise today to urge my colleagues to support the conference report on the National Defense Authorization Act for fiscal years 1992 and 1993. The bill provides a funding level of $290.8 billion in budget authority for our country's national defense in fiscal year 1992.

Before addressing some of the major substantive features of this year's conference agreement, let me say generally that the provisions in the conference report are responsive to the changed-threat environment brought about by the stunning world events of the last year and should prepare the country's defense establishment to be well positioned to respond to future contingencies. The bill moves us closer to a defense that works for the new realities of the post-cold-war world—a defense that will buy our country the systems and programs we need while we continue the historic builddown of our forces. The conference agreement also seeks to incorporate some lessons learned from Operation Desert Storm.

The conferees took several major actions in the procurement arena, and the overall authorization for these matters is $63.9 billion. Perhaps the most interesting allegory on how this bill responds to changing world situations involves the agreement on the B-2 bomber and the strategic defense initiative.

The B-2 was designed to evade the next generation of Soviet radar, but with the dissolution of the Soviet Union in the last year, this mission takes on much less importance. So the conference agreement would not authorize the production of any new B-2's beyond the 15 previously approved by Congress unless the Secretary of Defense certifies that the plane has met stealth and other requirements, and the House affirmatively votes such an authorization in subsequent legislation; $1.8 billion was provided in order to support the vendor base. In other areas, the conferees authorized the procurement of re-engining kits for KC-135 tanker aircraft, 57 FA-18 fighter aircraft, and 4 F-117A stealth fighters.

With respect to shipbuilding, the conference report would authorize the procurement of 13 ships and 12 landing craft, including 5 DDG-51 destroyers, an SSN-21 nuclear attack submarine, and 3 coastal mine hunter ships.

The Persian Gulf war demonstrates the potential for the proliferation of ballistic missile technology and weapons of mass destruction, which, together with the fear of accidental launch from the Soviet Union, makes investment in missile defenses attractive and necessary. The conference agreement would authorize $4.15 billion for research and development of SDI and would fund as a top priority a ground-based missile defense system that complies with the ABM Treaty. The bill moves away from past emphasis on space-based interceptors, and funding for the Brilliant Pebbles program is limited to $390 million.

The Persian Gulf war has taught us the value and importance of state-of-the-art conventional weapons, and the conference agreement reflects a substantial investment in a number of such programs, including the tilt-rotor V-22 aircraft, F-16 fighters, C-17 transport aircraft, and upgrades to our inventory of M1A1 tanks. The conferees also agreed to invest more in Patriot missile improvements and follow-on systems to protect our troops in the event of future situations like that encountered in Operation Desert Storm.

The conference agreement recognizes that the size of our military must shrink in the years ahead, but also reflects the conferees' view that because we are for the first time drawing down an All Volunteer Force, we must be especially careful to treat our service members fairly in the process. Accordingly, the conference report moves away from the prospect of drawing down the force through involuntary separations and instead emphasizes voluntary separations. A new program, the voluntary separation incentive [VSI], has been included in order to encourage large numbers of service personnel to voluntarily leave the service and move into civilian life. The 4.2-percent pay raise for those remaining in the military is consistent with the philosophy of keeping the pay and benefits package competitive so that we continue to attract and retain high quality people. Based on the Operation Desert Storm experience, the bill repeals the statutory restrictions against both Air Force and Navy women flying aircraft in combat missions.

The conference agreement also provides support for the National Guard and Reserve. The end strengths prescribed for fiscal year 1992 and 1993 move away from the drastic cuts in National Guard and Reserve personnel and force structure proposed by the administration. This country has made a considerable investment in our reserve components, and these service members did a great job in Operation Desert Storm. Given their outstanding performance, we rejected the administration's plan to arbitrarily eliminate large numbers of personnel and a sizable chunk of force structure. Instead, we directed an independent, policy-driven study on force structure to ensure that the smaller forces of the future will have the right mix of active and reserve component units. The conference agreement also adds more than $1 billion in modern equipment for the National Guard and Reserve, including more C-130 aircraft and high-technology navigational equipment for front line fighter aircraft.

The conference agreement authorizes $84.3 billion for operations and maintenance during fiscal year 1992, an amount sufficient to ensure the readiness of our personnel and equipment. In addition, the conference report includes provisions establishing a new fund, the Defense business operations fund [DBOF], through which the Department of Defense may manage intradepartmental purchases of supplies and services.

Division C of the conference report authorizes almost $12 billion for Department of Energy defense-related activities, including $3.6 billion for environmental restoration and waste management and $4.6 billion for weapons activities. Other provisions in this part of the bill stress nuclear weapons safety, nuclear test ban readiness activities, and verifying the dismantlement of nuclear warheads.

The conference report authorizes $8.8 billion for military construction and family housing support of the active military, the reserve components, NATO's infrastructure, and base closures during fiscal year 1992. The conference agreement also increases the burden sharing of our allies in maintaining the post-cold-war peace. The bill reduces U.S. payments for foreign workers and calls on the President to negotiate burden-sharing agreements with all our major allies. Finally, the bill would cease American funding for the construction of the airbase at Crotone, Italy.

On balance, Mr. Speaker, the bill that comes out of this conference reflects many of the major defense choices made by the House last spring and makes sound policy judgments that will enable the country to have a strong defense as world events continue to reshape our security relationships. I strongly urge my colleagues to support the conference report.

Mr. Speaker, I yield 2 minutes to the gentleman from Missouri [Mr. SKELTON].

Mr. SKELTON. Mr. Speaker, I rise in support of the conference report that is before us at this moment.

Mr. Speaker, a great deal of work and effort has gone into it, and overall I think it merits our collective support.

On the more positive side, I support the bipartisan consensus reached on the conference report that is before us at this moment.

The danger of ballistic missile proliferation is real, and it is growing. The lessons of the Persian Gulf war were not lost on the American public nor upon us, their representatives. There is a role for both tactical and strategic systems.

Let me also register my strong support for the effort to try to preserve our national industrial base. Care must be taken to ensure that, as we shut down lines, we do not go overboard in the process. Five to seven years from now, we may find ourselves in a difficult position that we will be unable to reopen industrial lines because the people and skills involved are no longer available.

The compromise we reached on reductions in the Guard and Reserves is also close to the mark. The pace of the Pentagon's effort has slowed down, as to the House's provision to have the Department conduct an independent study of the proper mix of active and reserve components which will help establish a consensus on this highly charged matter.

I also approve of the effort to try to help those service men and women who will have to make the transition to civilian life due to the end of the cold war. Establishment of a voluntary separation initiative will provide those individuals the means to make such a transition.

On a less positive note, I believe the compromise we reached on the B-2 falls short. I have spoken of that at length elsewhere, but I would hope that we could revisit that, and take another strong look at it next year.

I think it is very important, Mr. Speaker, that the effort to strengthen the military and point out the effort to strengthen the military in the 1980's was accomplished at a great expense and great sacrifice. New weapons, tough training, and, most important of all, excellent people were the ingredients that transformed the hollow military of the late 1970's into the victorious military of 1991.

□ 1620

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

Mr. Speaker, I rise at this time in support of the conference report for H.R. 2100, the fiscal year 1992 Defense authorization bill. In all candor, I am delighted to do so.

Last year I opposed my own committee's conference report because repeated abuses of the process had prevented me from representing committee and House Republicans on the most important issues under consideration by the conference. Had it not been for this process problem, I could have supported the bill based on substance.

Our committee's consideration of H.R. 2100 over the past 11 months has certainly not lacked controversy. We are all coming to the realization that dramatic decreases in defense spending cause pain and thus, controversy. The difference between this year and last, however, was in the process used to construct the bill that is before us today.

As contrasted with last year, there actually was a discernable process this year that was governed by discussion and compromise. Accordingly, I would like to thank Chairman ASPIN for working with committee Republicans this year and allowing me to work with the majority. Not only did it improve the process, but I believe it also improved the bill. As a result, H.R. 2100 is a consensus bill that Republicans were able to influence and should be able to support.

My support for the conference report is also based on a number of outcomes on important issues that I would like to review briefly before yielding time to my colleagues for their comments.

MISSILE DEFENSES

Our explicit commitment in bill language to deploy ground-based missile defense by 1996, with a funding increase of more than $1 billion over last year's level, represents a watershed national security decision. We may have finally moved beyond a number of political and psychological barriers in making this decision.

It took the lessons of the war with Iraq, Bush administration initiatives, and the Soviet Union's public willingness to move beyond the increasingly obsolescent ABM Treaty for Congress to act. Yet we have acted decisively and in a bipartisan manner to confront the harsh realities and security challenges of the real world.

That the decision to deploy missile defenses was truly bipartisan is crucially important for this program to move forward in the future. Although funding any major defense program will be difficult in the budget-constrained years ahead, it's clear that missile defenses have become Congress' top defense program.

Mr. Speaker, all 22 House Armed Services Committee Republicans have signed a brief policy statement on the issue of missile defenses that I will insert in the RECORD immediately following my remarks. We wholeheartedly support the conference outcome on missile defenses and will work to see that Congress lives up to the commitment it is making here today.

B-2

Contrary to the spin being put on the B-2 compromise by the program's opponents, the B-2 is well funded at $4.3 billion, with $3.3 billion of the total completely unfenced. If people claim they killed the B-2, then they've also got to explain why they have agreed to spend more than $4 billion on the coffin. A more objective assessment is that the conferees have agreed to consider procurement of additional aircraft beyond the existing 15 next year when we understand more about the much publicized radar cross section test problem. The B-2 is far from dead.

CONVENTIONAL PROGRAMS

On conventional programs, the conferees attempted, with partial success, to strike a balance between protecting important future modernization programs and preserving a warm production base in the present. So we funded future systems like the ATF, LH helicopter and the AX, but continued current production lines such as the F-16, AHIP and F/A-18.

In some instances, like the F-117, we went too far. Reopening a mothballed production line to build four aircraft that the Department doesn't want and didn't request for a cost of almost $600 million is not smart business. If we continue to ressurect dead programs or to prop up dying programs, it will become impossible to balance our priorities in the future.

PERSONNEL MATTERS

Among the most productive of all conference outcomes occurred in the personnel area. HERB BATEMAN will provide more detail in a few minutes, but the bottom line is that H.R. 2100 gives Secretary Cheney some of the tools he needs to manage the massive ongoing DOD build-down, while protecting people and preserving readiness.

CONCLUSION

Let me conclude by saying that no bill is perfect, and this one certainly has its warts. On the whole, however, this conference report presents an effective program for maintaining national security over the course of the next year. Moreover, in a political sense, it is a bipartisan product that Republicans have had the ability to shape. For these reasons, I urge my colleagues to support adoption of H.R. 2100.

Mr. Speaker, all 22 Armed Service Committee Republicans have signed a brief policy statement on the issue of missile defense, and I will insert them in the RECORD at this point.

STRATEGIC DEFENSE INITIATIVE

(Views of Messrs. Dickinson, Spence, Stump, Hopkins, Davis, Hunter, Martin, Kasich, Bateman, Blaz, Ireland, Hansen, Weldon, Kyl, Ravenel, Dornan, Hefley, McCrery, Machtley, Saxton, Cunningham, and Franks)

Ever since President Reagan presented SDI to the Nation on March 23, 1983, critics of ballistic missile defense (BMD) have waged a wide-ranging campaign to discredit the concept. For years we heard exaggerated claims of SDI's cost; broad, sweeping claims that the technologies required for effective BMCD would never exist; and assessments that SDI would "destabillize" the US-Soviet strategic nuclear balance and undermine the crown jewel of arms control, the ABM Treaty. The end result of over eight years of partisan rancor and ideological dispute has been a glaring lack of political consensus on the objectives of the SDI research and development program. This has now changed.

It is an understatement to note that the international security landscape has undergone a radical transformation since President Reagan's 1983 speech. We live in a world reshaping itself at breathtaking speed. Over the past five years, we have witnessed the fall of the Berlin Wall, the dissolution of the Warsaw Pact, and early steps towards democracy in the Soviet Union. In short, many of the assumptions that have guided our national security planning since the end of World War II are no longer valid.

To its credit, the Bush Administration long ago recognized the need for a more flexible and responsive military strategy to cope with the uncertainties and emerging threats of this changing world. On August 2, 1990—the very day that Saddam's forces launched their attack against Kuwait—President Bush outlined publicly the basic elements of a revised military strategy. A second indicator of the Administration's recognition of world changes occurred when the President announced in his State of the Union Message on January 29, 1991, his decision to refocus the SDI program "on providing protection from limited ballistic missile strikes, whatever their source. Let us pursue an SDI program," he said, "that can deal with any future threat to the United States, to our forces overseas, and to our friends and allies."

Two events of 1991 validated and reinforced the President's earlier decision to refocus the SDI program: the Gulf War and events in the Soviet Union, including the failed coup attempt against Mikhail Gorbachev last August.

During the Gulf War the world witnessed the use of ballistic missiles by Iraq against Allied military forces in Saudi Arabia and as a terror weapon against population centers in both Israel and Saudi Arabia—despite the certainty of massive Western counter-attacks. In terms of "lessons learned" from that conflict, we must recognize that the United States cannot rely upon a strategy of pure deterrence to prevent Third World leaders from engaging in aggressive, irrational behavior in the future. Operation Desert Storm taught us that we will require transportable and improved theater missile defense (TMD) systems to counter the threat posed by the global proliferation of ballistic missiles and weapons of mass destruction. Moving beyond deterrence, defenses will prove to be invaluable, both militarily and politically, in future conflicts.

Radical changes in the Soviet Union have drastically reduced the likelihood of an intentional, massive Soviet nuclear attack against the United States to its lowest point at any time in the past forty years. Adding to this development are the U.S. and Soviet signing of a Strategic Arms Reduction Treaty (START) and the unilateral steps recently announced by Presidents Bush and Gorbachev to reduce various nuclear forces. Concern still exists, however, of the possibility of an accidental or unauthorized launch of ballistic missiles stemming from the mounting economic, political and social chaos within the Soviet Union—a country that still possesses almost 30,000 nuclear weapons. The validity of this concern was underscored when we learned that President Gorbachev's briefcase containing the nuclear codes was taken away during the coup attempt in August.

The Congress could not help but be influenced by these developments. One result, as declared in this conference report, was that members of Congress generally ceased their partisan, ideological posturing over the SDI program and, instead, agreed to confront the practical concerns of a still dangerous world. In a landmark decision, the Congress has established a set of goals and a specific timetable for developing and deploying missile defenses—the first true bipartisan consensus on missile defenses since the debate began twenty-five years ago.

Key elements of the bipartisan Congressional consensus on missile defenses include (1) $4.15 billion for SDI in fiscal year 1992, a real increase of over $1 billion from the fiscal year 1991 level; (2) a goal to deploy 100 defensive interceptors at a single-site at the earliest date allowed by the availability of appropriate technology or by fiscal year 1996, as the initial step toward a multi-site, highly-effective defense of the United States; and (3) urge the President to pursue immediate discussions with the Soviets on modifying or amending the ABM Treaty.

The centerpiece of President Bush's revised Global Protection Against Limited Strikes (GPALS) SDI program was the development and deployment of space-based interceptors commonly referred to as Brilliant Pebbles. While the conferees were in agreement that space-based sensors would be included as part of an initial ground-based missile defense system, unfortunately no such consensus emerged on Brilliant Pebbles. In fact, the conference report declares that, "deployment of Brilliant Pebbles is not included in the initial plan for the limited defense system architecture."

Although we endorse the overall SDI compromise, we also believe in the importance of continuing to aggressively pursue the development and deployment of Brilliant Pebbles. At the authorized Fiscal Year 1992 funding level, which represents a 41% cut from the President's request and leaves the program at roughly the current Fiscal Year 1991 funding level, Brilliant Pebbles has been underfunded. It may be that the inevitable evolution and maturation of space-based interceptor technology will have to precede, even lay the foundation for, a political consensus. However, we believe that all missile defense programs would benefit from such a consensus and plan to work towards achieving this end.

That the watershed decision to deploy missile defenses was truly bipartisan is crucially important for this program to move forward in the future. Although funding any major defense program will be difficult in the budget-constrained years ahead, it is clear that missile defenses have become one of Congress' top priority defense programs.

We, the undersigned, believe this to be the right course of action and plan to do everything within our power to ensure that Congress lives up to the important commitment to proceed with the deployment of ground-based missile defenses it has made in H.R. 2100, the Fiscal Year 1992 Defense Authorization Conference Report.

WM. L. DICKINSON.
RANDY "DUKE" CUNNINGHAM.
JAMES V. HANSEN.
DAVID O'B. MARTIN.
JIM SAXTON.
JOEL HEFLEY.
HERBERT H. BATEMAN.
BEN BLAZ.
CURT WELDON.
GARY A. FRANKS.
ANDY IRELAND.
BOB DAVIS.
FLOYD SPENCE.
JIM MCCRERY.
ARTHUR RAVENEL, JR.
ROBERT K. DORNAN.
BOB STUMP.
DUNCAN HUNTER.
JOHN R. KASICH.
RON MACHTLEY.
JON KYL.
LARRY J. HOPKINS.

Mr. ASPIN. Mr. Speaker, I yield 1½ minutes to the gentleman from Texas [Mr. PICKLE] for the purpose of a colloquy.

Mr. PICKLE. Mr. Speaker, I wish to engage the distinguished chairman of the Armed Services Committee in a colloquy. I understand that the national defense authorization bill for fiscal year 1992 did not add any additional funding to the budget request for the electric gun technology program. In the statement of managers, however, the conferees agreed that electric gun technology offers the potential for revolutionary improvements in weapon systems capabilities. Is that correct?

Mr. ASPIN. Mr. Speaker, if the gentleman will yield, that is correct.

Mr. PICKLE. The 1991 DOD critical technologies plan cites the potential for electrically powered, hypervelocity guns and launchers to provide revolutionary improvements in a variety of weapon systems applications, including ballistic missile defense; and the Army science board emphasized that the potential benefits of the technology can only be realized through a consistently funded and coherently managed program.

I am concerned that there may be significant differences in the services and DOD agencies on the maturity, priority, applications, management, and funding for the various components of the electric gun technology area.

Mr. ASPIN. Mr. Speaker, if the gentleman will yield further, I share the gentleman's concern. Indeed, in the statement of managers the conferees directed the Secretary of Defense to provide to the congressional defense committees by March 1, 1992, a comprehensive report on the overall DOD electric gun technology program. I believe that we have provided funding levels for these defense critical technologies in a variety of accounts coupled with the management improvements in the Department of Defense, should contribute to a stable, integrated electric armaments technology program. I trust the Department of Defense will remain rigorously faithful to this goal. I look forward to reviewing the DOD's report on the program and to discussing it further in budget hearings next year.

Mr. PICKLE. Mr. Speaker, I thank the gentleman for his remarks.

Mr. DICKINSON. Mr. Speaker, I yield 2 minutes to the very distinguished gentleman from Pennsylvania [Mr. SHUSTER], who is also the ranking member of the Permanent Select Committee on Intelligence.

Mr. SHUSTER. Mr. Speaker, I thank my good friend, the gentleman from Alabama, for yielding me this time.

As the ranking Republican on the Intelligence Committee, I would like to comment on some of the changes incorporated in this legislation that explains why I refused to sign the conference report because of some of the fundamental problems. It augments the power of the Defense Intelligence Agency and takes away some of the control over intelligence which recently was acquired by the Assistant Secretary for Command, Control, Communications and Intelligence. Mr. Duane Andrews is the current ASD/C3I.

I refused to sign the conference report because of some fundamental problems with the arrangements dictated.

First, they were dictated, and to a level of detail which seems improper in terms of executive privilege and inconsistent with the flexibility required for good management.

Second, on key items the language is vague, partly because the two Houses could not agree. On one critical issue, it is said that Secretary Cheney could resolve discrepancies between bill and report language by simply ignoring report language; but in doing so, he would court a political tempest.

Third, we moved prematurely, with minimal study or knowledge of the consequences.

I would argue strongly that Dick Cheney has been an excellent Secretary of Defense. Furthermore, as a very conscientious and scholarly member of the House Intelligence Committee, he developed unusual knowledge about U.S. Intelligence and was the first on our committee to advocate some organizational changes. He has his own ideas and convictions, which he should be able to test and implement.

Cheney appointed Mr. Andrews, a trusted aide extremely well versed in all aspect of U.S. Intelligence, for this very purpose. They moved immediately and vigorously, aiming to reorganize, unify, and revitalize DOD intelligence. In this, they gathered momentum from the strong mandate given them last year by the House and Senate. But we learned to be careful what we ask for, because we may get it.

Mr. Cheney's vigor unnerved the other body, which rushed to undo his work. Conferees reversed many of his initiatives, which themselves are less than a year old, for the space of 1 year—that is, until Congress in its infinite wisdom can devise its own reorganization plan, and then foist it upon Mr. Cheney in next year's authorization bill.

At the very least, you'd think we'd give the Secretary's brand new arrangements a chance to get off the ground and prove or disprove themselves, since Congress will not have its own plan for another year. Instead, we dictated a return to the status quo ante.

Financial control of the General Defense Intelligence Program reverts from Mr. Andrews back to the Defense Intelligence Agency, which for many years admittedly paid scant attention to it.

The bill language says Mr. Andrews temporarily is "assigned supervision" of DIA, although not "operational day-to-day control." Report language interprets this to mean "that degree of staff supervision * * * exercised * * * prior to November 27, 1990"—that is, before the Cheney reorganizations, when in practice the ASD/C3I had very little to do with DIA. This has been interpreted as a victory for Mr. Cheney, in that only the bill language is really law: He can allegedly ignore the report's definition of terms. But the suggestion that he court such peril seems disingenuous, especially with next year's promised congressional reorganization hanging like a sword of Damocles over Mr. Cheney's head.

The legislation stipulates that DIA provide substantive intelligence to the Secretary, the DCI, and the Chairman of the JCS without any prior screening by any other official. This seemed acceptable to all, because it was said merely to prohibit interference that could slant intelligence analysis. Only after the ink dried did we hear that some are taking this allegedly innocuous language to ludicrous, completely unworkable and unrealistic extremes. Obviously, such top officials cannot possibly, read or even glance at, more than a small fraction of DIA's intelligence product. But some are now saying that this prohibits all but the sorting of these officials' mail—and perhaps even that. This is balderdash.

We have guaranteed 3 years of organizational turmoil at DOD—a year under Mr. Cheney, a year of reversals, and another year after Congress makes up its mind. With provisions like these, I've already had my fill of reorganization. And they say we've barely begun. If so, God save the Republic.

Mr. ASPIN. Mr. Speaker, I yield such time as he may consume to the gentleman from North Carolina [Mr. LANCASTER].

Mr. LANCASTER. Mr. Speaker, I rise in support of the conference report.

Mr. ASPIN. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. SCHEUER] for the purpose of a colloquy.

Mr. SCHEUER. I thank the gentleman for yielding time to me.

Mr. Speaker, I rise to engage the distinguished chairman of the Armed Services Committee in a colloquy.

Mr. Speaker, the Defense Authorization Act for fiscal year 1992 contains a provision by which the Department of Defense and the Department of Energy are to develop a cost-sharing implementation plan for a superconducting magnetic energy storage project, commonly called SMES. My concern, Mr. Chairman, is that participation in this project by the Department of Energy may take away valuable resources from other conservation and renewable energy programs including superconductivity research programs.

I agree that the SMES project has significant civilian benefit and the Department of Energy should participate. Therefore, Mr. Speaker, do you agree that any resources the Department of Energy may choose to assign to the SMES project over the course of the plan shall not impact other DOE conservation and renewable energy programs, including ongoing superconductivity research and development?

Mr. ASPIN. Mr. Speaker, will the gentleman yield?

Mr. SCHEUER. I yield to the gentleman from Wisconsin [Mr. ASPIN].

Mr. ASPIN. I thank the gentleman for yielding.

Mr. Speaker, superconductivity is one of our more important critical technologies and can be advanced more rapidly through real world application projects like the SMES. I do agree, however, that there should be no impact on other DOE conservation and renewable energy programs including ongoing research for superconducting technology.

Mr. DICKINSON. Mr. Speaker, it is my pleasure at this time to yield 2 minutes to the gentleman from South Carolina [Mr. SPENCE].

Mr. SPENCE. I thank the gentleman for yielding this time to me.

Mr. Speaker, I rise in support of this conference report.

The seapower panel of the conference committee largely worked toward the administration's shipbuilding request that will carry the Navy into the 21st century. This modernization effort is highlighted by the continued production of the *Seawolf* attack submarine and the DDG–51 Aegis-class destroyer.

The panel also agreed to support the ship cost growth account at $463 million. This will enable ships currently under construction to be completed without any delays and costly work stoppages. Due to the fact that inflation has risen above initial projections, and unit costs have increased because production has been cut, full funding of the ship cost growth line is a necessary and prudent course of action.

The seapower panel took advantage of lessons learned from Operation Desert Storm. We had serious shortfalls in our mine countermeasures capability. The panel funded an additional minehunter above the administration's request. The conferees also agreed to create a mine countermeasures initiative fund and provided an additional $20 million to accelerate existing programs and evaluate new technologies.

Although I am generally supportive of the seapower panel's work, I continue to be concerned that we are building down much too rapidly. The meager shipbuilding rates of the future, coupled with massive ship retirements, will bring the fleet down from 541 ships to below 400 ships by the year 2000.

The Soviet Union may be bankrupt, but they continue to build more than three times as many submarines as the United States.

Mr. ASPIN. Mr. Speaker, I yield 2 minutes to the majority leader, the gentleman from Missouri [Mr. GEPHARDT].

Mr. GEPHARDT. I thank the gentleman for yielding this time to me.

Mr. Speaker, I support passage of this conference report, because it manages the future of our defenses in a smart and effective way.

We are building down, but building down wisely, moving from the threats posed by the cold war, to a new definition of security.

No one has worked harder in meeting these challenges or more thoughtfully than the gentleman from Wisconsin, Chairman ASPIN, and I praise him, and the rest of the conferees, for the work they have done.

I would, however, like to take a moment to discuss a provision that has been dropped from the conference—the item which authorized humanitarian aid for the Soviet Union.

Foreign aid is never popular, especially during recessionary times such as we are in now. Americans wonder why we should aid the Soviet Union now that the cold war is over, just as we came to the aid of Germany and Japan after World War II.

Our answer today should be the same as the answer Harry Truman provided than—that it is in our deep self-interest to do so.

In this legislation, the chairman proposed nothing as dramatic as the Marshall plan, but simply sought $1 billion in defense funds to forestall starvation and chaos in the Soviet Union.

It seemed to me this was a modest and appropriate investment to ensure that 30,000 nuclear warheads did not fall into the wrong hands. And this type of defense spending would have been as important for our national security as another part of this budget.

We are told that this proposal is impossible to sell back home. If, in providing humanitarian aid, we help create genuine stability and new markets for American goods in the Soviet Union, our people will be more prosperous and more secure than they are today.

I believe the President treats foreign policy as his exclusive preserve, and domestic policy as an orphan to be shuttled between the free market and the Congress. His unequal treatment of these two national priorities leaves us with a weakening economy and declining public support for an ambitious foreign policy.

Mr. Speaker, I commend the gentleman for trying to deal with this very difficult issue, and I hope that in the future we will be able to do something in this area that makes sense for America's taxpayers.

Mr. DICKINSON. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Michigan [Mr. DAVIS], who is the ranking member of our Subcommittee on Research and Development of the Committee on Armed Services.

Mr. DAVIS. I thank the gentleman for yielding this time to me.

Mr. Speaker and Members, first, before I get into a couple of the substantive issues, let me say that this particular conference, unlike the one last year, was one that the minority Members, the Republican Members, were able to play a major role in putting this package together.

For that we appreciate it.

The gentleman from California [Mr. DELLUMS], who is my counterpart, chairman of the Subcommittee on Research and Development, head of the strategic panel on the committee, was very easy to work with. We had a lot of issues to work our way through. We did it, obviously—one side or the other did not get everything they wanted—but basically I did sign the report. I think it is a good step in the right direction.

Let me talk about a couple or a few of the issues that we did work our way through.

SDI, a lot of people have talked about SDI, and I am sure others will talk about it too. But we did have, from the standpoint of the Republicans, it was one of the major issues that we were supportive of. We did increase to $4.1 billion, $1 billion over last year's level.

I think we have a consensus that was reached on the goal of a timetable for deploying missile defense against limited attacks and on the need for additional funds to accomplish these objectives; the goal of deploying ground-based missile system at one site at the earliest possible date, hoping that that might be in 1996 or, if not, whenever it is technologically appropriate we will do that.

□ 1640

Mr. Speaker, another part of this proposal is that we will in fact have urged the President to begin discussions with the Soviets on modifying or amending the ABM treaty to make it more workable.

One of the disappointments, I think, to those of us who were strong supporters of the B–2; of course we did want to proceed with the B–2, but we did not have the votes to be able to go as far as we wanted, as has been said by others. We will have to have another vote on whether or not we are going to proceed beyond the 15 in the future. It is my hope that we will. I think it is an airplane that we desperately need in this country, but we will come back and fight that battle next year.

One of the disappointments on the part of the House was being a very strong supporter of making the necessary improvements to the B–1 that were needed. Unfortunately the Senate did not agree to go along with us. We should, in my opinion, have bitten the bullet this year, but we did not do that. We will have to revisit that issue, of course, again next year.

Another issue which really was not that contentious, but one that we did not settle until the very end of the conference, was the national aerospace plane. We did, in fact, drop the amount by about $23 million, but still ended up with $200 million, which was a step in the right direction.

Mr. ASPIN. Mr. Speaker, I yield 2½ minutes to the gentleman from Virginia [Mr. SISISKY].

Mr. SISISKY. Mr. Speaker, as chairman of the conventional forces panel of the conference committee I rise in support of H.R. 2100.

After weeks in meetings with members and staff, agonizing over some of the hard choices that had to be made, it is my opinion that the conferees have done a remarkable job of balancing an affordable set of priorities under very difficult circumstances.

Here's how the major issues in the conventional panel were resolved.

For V–22 tiltrotor, the administration and the Senate did not allot any

funds for this program in fiscal year 1992. The House deferred a decision on V-22 production but authorized a total of $990 million for development, manufacture and operational testing of three production-representative aircraft.

The conferees adopted the House position on V-22.

On the F-117 fighter, the House and the Senate diverged widely. The Senate provided $1 billion to restart the F-117 line, which was dismantled 2 years ago. The Senate directed the purchase of 24 of these aircraft, although updated cost information shows only 12 can be bought for this amount.

The House, on the other hand, sought to enhance F-117 capabilities by adding money to retrofit the fleet with upgrades.

The conferees agreed to the modifications and to purchase four F-117's in fiscal year 1992 for $560 million. The conference agreement contains language limiting to 12 the total number of F-117 aircraft that can be bought.

For the F-14 remanufacture program, the administration and Senate agreed to terminate the program.

The House, however, continued to believe that remanufacture of F-14 aircraft strikes the best balance between affordability and preservation of the F-14 industrial base. Thus, the House provided $679.7 million for the F-14 remanufacture program.

The conferees agreed to the Senate position on F-14.

On the F-16 fighter, there was substantial disagreement among the administration, the House, and the Senate.

The Administration proposed 48 aircraft in fiscal year 1992 and advance procurement for 24 in fiscal year 1993. It would have terminated the line after fiscal year 1993.

The House authorized 48 aircraft in fiscal year 1992 and advance procurement for 48 aircraft in fiscal year 1993.

The Senate ended the F-16 program, choosing instead to restart the F-117 line.

The conferees agreed to the House position for fiscal year 1992 and funded 48 F-16's in fiscal year 1992 and advance procurement for 24 aircraft in fiscal year 1993.

There were numerous other conventional issues that were equally contentious. I would point out that agreements contained in this conference report must not be viewed or judged in isolation but rather as a package.

Mr. Speaker, I urge my colleagues to adopt the conference report as a package that best provides for the Nation's defense.

Mr. DICKINSON. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. MARTIN], the ranking member on the Subcommittee on Military Installations and Facilities.

Mr. MARTIN. Mr. Speaker, I want to take a moment to thank the chairman of the Committee on Armed Services. He might recall last year that a number of us, and certainly myself, were very upset with the way the bill and the conference report were put together, but I want to salute the gentleman from Wisconsin [Mr. ASPIN] this year for a far better process than the process we had last year.

I also want to thank the distinguished majority leader, the gentleman from Missouri [Mr. GEPHARDT], for taking time on the floor today to speak about the money that was for a time in the conference report for the Soviet Union. Whatever the argument or the merits might be. I think that those who are in favor of spending their money in that fashion ought to look to the foreign assistance portion of this budget rather than the Department of Defense. I know that the majority leader at one time had recommended; at least I read press accounts, of $3 billion for the Soviets out of our DOD bill, and of course, as the chairman Mr. ASPIN said, he had offered $1 billion, that is to say 1,000 millions of dollars.

I did want to point this out, because in some areas of the press there was some confusion to the effect this was originally requested by Secretary Cheney and President Bush, which it most certainly was not. I thank the gentleman from Wisconsin [Mr. ASPIN], the chairman, and the majority leader, the gentleman from Missouri [Mr. GEPHARDT], for underscoring that.

I did sign the conference report mostly because of the much improved method by which we put this bill together. There are some downsides to it. There is just one I would like to underscore: The F-117.

Mr. Speaker, I do not know as if we had a vote in the House whether we would have more than five or eight Members of the House who would support that program. The fact of the matter is that the Air Force does not want it, the Air Force cannot afford it, and they certainly do not need it. I guess the good news is that the appropriating body; it is my understanding, are inclined not to appropriate the money for this platform that served so well in the gulf. But that is not a reason for buying new programs and starting up production lines that have long since been shut down because it performed well in the gulf. If that were the standard, I would suspect that we would not be firing a quarter of a million uniformed volunteers that we are going to let go.

One other thing I also would like to say as far as that billion-dollar proposal for aid to the Soviets is concerned. It was proposed to come from the operations and mountains accounts which only means that our troops cannot train; flying hours and steaming hours would have been cut inordinately as well as all other expendatures related to training.

Mr. ASPIN. Mr. Speaker, I yield 2 minutes to the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. Mr. Speaker, I rise to discuss certain provisions of the conference report to H.R. 2100, the National Defense Authorization Act for fiscal 1992.

As chairwoman of the Armed Services Subcommittee on Military Installations and Facilities, my panel of the conference included $9 billion for military construction and $149 million for civil defense.

In the conference report, to conform with rescissions made by the Appropriations Committees, we specifically deauthorized certain military construction projects that are no longer required due to base closure. I wanted to clarify which specific projects were deauthorized:

ARMY:	
California:	
Fort Ord: Automated Record Fire Range	[1] $2,450,000
Sacramento Army Depot: Microwave/Radar Maintenance Facility	[1] 3,900,000
Indiana:	
Fort Benjamin Harrison: Fire Station	[2] 1,300,000
Fort Benjamin Harrison: Learning Research	[2] 4,300,000
NAVY	
California:	
Moffett Field Naval Air Station: Child Care Center	[1] 1,000,000
Tustin Marine Corps Air Station: Flight line security improvements	[1] 2,350,000
Long Beach Naval Station: Wharf utilities upgrade	[1] 3,520,000
Connecticut:	
New London Naval Underwater Systems Center: Electromagnetic Systems Laboratory	[1] 12,600,000
Pennsylvania:	
Warminister Naval Air Development Center: Aircraft Technologies Laboratory	[2] 10,770,000
Philadelphia Naval Shipyard: Hazardous and flammable storage warehouse	[1] 7,000,000
Australia:	
Exmouth Naval Communications Center: Fire Protection System	[1] 610,000
AIR FORCE:	
Arizona:	
Williams Air Force Base: Water Supply Complex	[1] 1,850,000
Williams Air Force Base: Add to and alter flight simulator	[2] 400,000
Williams Air Force Base: Base Engineer Complex	[2] 2,350,000
Williams Air Force Base: Specialized UPT maint and Ops support	[2] 900,000
Arkansas:	
Eaker Air Force Base: Civil engineer shop facility	[1] 2,700,000
Eaker Air Force Base: Convoy Road	[1] 500,000

Eaker Air Force Base: Water well and elevated storage	[1]850,000
California:	
Castle Air Force Base: Combat Crew Training School	[2]3,000,000
Castle Air Force Base: Security Police Operations Facility	[2]3,000,000
Castle Air Force Base: Standardized Evaluation Center	[2]2,200,000
Colorado:	
Lowry Air Force Base: Precision Measurement Equipment Lab	[1]2,200,000
Florida:	
Macdill Air Force Base: F-16 Avionics Shop	[1]3,550,000
Macdill Air Force Base: Fuels Mobility Support Equipment Warehouse	[1]940,000
Macdill Air Force Base: Upgrade runway	[2]8,900,000
Indiana:	
Grissom Air Force Base: Wing Headquarters and Command Post	[1]2,150,000
Grissom Air Force Base: Renovate dormitory	[2]2,500,000
Grissom Air Force Base: Child Development Center	[2]2,000,000
Louisiana:	
England Air Force Base: Add to and Alter Aircraft Corrosion Control Facility	[1]2,700,000
England Air Force Base: Alter dormitories	[1]3,200,000
England Air Force Base: Base Supply Complex	[1]4,100,000
Maine:	
Loring Air Force Base: Dormitory	[1]8,500,000
Michigan:	
Wurtsmith Air Force Base: Add to and Alter Child Development Center	[2]960,000
South Carolina:	
Myrtle Beach Air Force Base: Add to and Alter Aircraft Maintenance Unit Facilities	[1]2,350,000
Texas:	
Bergstrom Air Force Base: Add to Child Development Center	[1]2,400,000
Carswell Air Force Base: Noise Suppressor Support Facility	[1]650,000
Carswell Air Force Base: Aircraft parking apron lighting	[2]1,350,000
Carswell Air Force Base: Electrical substation acquisition	[2]566,000
Carswell Air Force Base: Hydrant fueling system	[2]10,700,000
DEFENSE AGENCIES:	
Pennsylvania:	
Philadelphia Naval Shipyard: Occupational Health Clinic	[2]11,600,000
AIR NATIONAL GUARD:	
Massachusetts:	
Fort Devins: Communications Electronics Training Complex	[1]3,000,000
Ohio:	
Rickenbacker ANGB: Alter Fuel System Maintenance Dock	[2]400,000
AIR FORCE RESERVE:	
Missouri:	
Richards-Gebaur AFRS: Jet Fuel Storage Complex	[1]2,350,000
Ohio:	
Rickenbacker ANGB: Add/alter facilities for conversion	[1]1,450,000
Rickenbacker ANGB: Add/alter hanger	[1]6,800,000
Rickenbacker ANGB: Alter Fuel Maintenance Dock	[2]500,000

[1]Fiscal year 1990: Army, $6,350,000; Navy, $23,560,000; Air Force, $38,640,000; Air National Guard, $3,000,000; Air Force Reserves, $10,600,000; total 1990, $82,150,000.

[2]Fiscal year 1991: Army, $5,600,000; Navy, $14,290,000; Air Force, $38,826,000; Defense Agencies, $11,600,000; Air National Guard, $400,000; Air Force Reserves, $500,000; total 1991, $71,216,000.

Note.—Total terminations: Army, $11,950,000; Navy, $37,850,000; Air Force, $77,466,000; Defense Agencies, $11,600,000; Air National Guard, $3,400,000; Air Force Reserves, $11,100,000; total $153,366,000.

The conference also authorized the following projects that were appropriated in previous years, but not authorized at that time:

Additional fiscal year 1991 authorizations

Arizona:	
Navajo Army Depot: Consolidated training site	$6,522,000
Marana: Simulator facility	4,554,000
Colorado:	
U.S. Air Force Academy: Consolidated training facility	15,000,000
Minnesota:	
Army National Guard, Camp Riley: Maintenance facility	6,108,000
Air National Guard, Minneapolis-St. Paul IAP: Composite support facility	4,350,000
Wisconsin:	
Richland Center: Armory/Motor Vehicle Storage Building	159,000
Overseas:	
Classified location	3,500,000
Total	$40,193,000

In addition, the conference included a number of provisions on burdensharing. The bill included a provision that requires the President to seek cost sharing agreements with our allies in the best position to help share the burden, and to identify future candidates for burdensharing. We included a resolution stating the sense of the Congress of the continuing U.S. commitment to NATO and of reducing permanently stationed troops in Europe to less than approximately 100,000 by 1995.

The conference included a provision to allow the United States to accept cash contributions from Korea and Japan. We included language pulling down the number of foreign nationals working at bases overseas, and under that scenario, no one can see any reason why we would run out and build a new base at Crotone, Italy when things are changing so rapidly. And under the conference agreement, we insisted on the House position so there will be no new base in Crotone. Crotone is dead.

The conference made some changes to the whole base closure procedure. The Subcommittee on Military Installations and Facilities will be holding hearings later on to make sure that the base closure process is going in the right direction.

The one thing that I am very excited about in this bill is the fact that America's servicewomen did such a good job in the gulf war that both the House and Senate had to recognize it. We are moving along toward treating women as full, equal participants in the services.

I want to compliment the gentlewoman from Maryland [Mrs. BYRON], chairwoman of the Personnel Subcommittee, who did such a good job in negotiating the women in combat provision. This is a very important breakthrough, and I think the gulf war and women's sterling performance help us get there.

I am extremely disappointed, however, that the conferees did not adopt the provision regarding reproductive health services in medical facilities of the uniformed services outside the United States. I thought that, coupled with the women in combat provision, we changed significantly the tone of what we have been doing in the past. But that is not the case.

Under this provision, women based overseas, be they dependents or be they in the service, would have the same reproductive freedoms that Americans at home that they are defending have.

This provision was adopted as an amendment on the floor of the House, and a similar provision was also adopted in the Senate Defense appropriations bill, thus reflecting the will of both bodies of Congress. But now, both the authorization and appropriation bills have dropped this provision by the President's threat of a veto. The will of the Congress has been thwarted.

We had an opportunity with this provision to reaffirm that members of the armed services serving overseas have the same access to safe reproductive health services that they would have if living in the United States. We should not deny equal access to health care for those service members who are serving our country outside of our borders. But by not including this provision, we did exactly that.

Mr. DICKINSON. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Mr. Speaker, let me first of all, thank Steve Thompson of our staff who worked very hard on the conventional panel, along with Nora Slatkin and Doug Necessary who spent countless hours behind the scenes trying to negotiate this bill out in less controversial items, and, of course, to the gentleman from Virginia [Mr. SISISKY] who did such a fine job, as well as our chairman, I must say.

□ 1650

I must say that it was a very good conference from the standpoint that it really was a bipartisan effort. It was something we had not seen for a while, and it is something that shows a 100-percent improvement in the system. Andy Ellis and Rudy deLeon both deserve credit also for making sure this committee is going back to where it was. Of course, the gentleman from Wisconsin [Mr. ASPIN] and the gentleman from Alabama [Mr. DICKINSON] were the leaders in this whole effort. I think this is a bill we can all feel good about.

I was involved specifically in the conventional panel. That is the issue of trying to structure the conventional systems of the United States to fit the new world order, as the President defines it, which means we have to balance current production off against future needs.

We are going to develop the B-22, we are going to slow down the C-17 but still go forward with it, and we are going to buy additional Patriot missiles. We are going to remanufacture M-1s, we are going to keep open the production line on the F-16, and hopefully the Appropriations Committee will have its way and we will not fund the F-117, which none of us feels we ought to do.

It is all give and take in this area, but I think we have a conventional bill that we can be very proud of, one which reflects the strategy of where we want America to go to deal with the countless contingencies that are out there. So I feel very, very positive about that.

In the strategic area, I think we have had a change on SDI. There is not any question about that. For the first time the Republican position has been accepted that a strategic defense is a legitimate player in the overall building of a defense system. We now say there is a proper form of SDI. Some on our side may not be thrilled with the numbers. I think it is a very good program that we have right now. Let me say that we would have liked to have revved up the numbers for Brilliant Pebbles on our side perhaps a little bit more, but overall I think it is a good package. On the B-2, I believe we have seen the death of the program, as described earlier today by the gentleman from California [Mr. DELLUMS].

Mr. Speaker, I think this is a defense bill that represents the transition to the new world order. There has been a lot of talk here, by the way, about food aid or whatever to the Soviet Union, and I think we ought to take a look at our excess supplies, particularly MRE's, blankets, and pills, exactly the kinds of things we can sell or send to the Soviet Union to help them get through a difficult winter.

Mr. Speaker I want to thank the gentleman from Alabama [Mr. DICKINSON] for letting me have the opportunity to work so intensively on the conventional panel, and I think that this is a bill we can all feel good about.

Mr. ASPIN. Mr. Speaker, I yield 2½ minutes to the gentleman from Massachusetts [Mr. MAVROULES].

Mr. MAVROULES. Mr. Speaker, I rise in support of the conference report. But I wish to address my remarks to one part of the report that I am not happy with, and that is the section containing provisions of the organization of military intelligence in the Department of Defense.

The Senate defense bill would have severely limited the authority of the Secretary of Defense to structure DOD intelligence as he sees fit. Among the objectionable provisions were those that would have provided a legislative charter for the Defense Intelligence Agency in place of the existing Department of Defense regulations recently revised by the Secretary.

Unfortunately, we were not able to deflect the Senate entirely from its course. A lot of micromanagement survived in the conference report. We did succeed, however, in adding the phrase "subject to the authority, direction, and control of the Secretary of Defense." That now comes as a preamble to provisions that would otherwise severely circumscribe the Secretary's authority to delegate intelligence functions and to structure the Defense Intelligence Agency as he sees fit. That added phrase allows the Secretary to continue to exercise his usual discretion in structuring and managing DOD intelligence.

I, for one, hope that the Secretary will take full advantage of the latitude provided by the language to pursue the intelligence reorganization he has undertaken—precisely along the lines he determines to be best for the country's defense. If he does, he will incur the wrath of some in the Senate. But he will have my support—and that of many other members of this committee. For several years, we in Congress have supported strong measures to strengthen defense intelligence. Not least among those measures was creating and then strengthening the post of Assistant Secretary of Defense for Command, Control, Communications, and Intelligence. We wanted that position to be the central departmental focal point for the farflung defense intelligence community. Not that the Secretary of Defense is taking aggressive actions in response to Congress' urging, we owe him our support.

Mr. DICKINSON. Mr. Speaker, I yield 3 minutes to one of the hardest working gentlemen on our committee, one who did one of the toughest jobs in dealing with personnel issues, the gentleman from Virginia [Mr. BATEMAN].

Mr. BATEMAN. Mr. Speaker, I thank the gentleman very much for yielding this time to me. Mr. Speaker, speaking as the ranking Republican of the House personnel conference panel. I rise to provide my colleagues an assessment of the conference outcome as they will affect our military personnel in the next year. There is much that I like in this bill, and some few things I do not. Let me review them.

By far, the two most important things we accomplished relate to the very unpleasant and difficult task now underway of reducing the number of people in the all-volunteer military who are the best who ever served this Nation. First, we gave the Secretary of Defense needed management flexibility to involuntarily separate personnel, if all other measures prove inadequate. Second, we approved two monetary and benefits options to encourage people to volunteer for separation, and avoid involuntary separation.

The two voluntary separation incentives included in the bill are not perfect, and both will be expensive. I expect that next year we will have to refine them both. What is important is that now service members have viable options other than just waiting around for the separation axe to fall, and DOD has the tools necessary to manage the active duty drawdown.

The conferees continued to protect National Guard and Reserve Forces by allowing a 2-year end strength reduction of about 66,000, just over one-third of the 185,000 cut the administration requested. I believe we should have made larger reductions in reserve components as requested by the administration. Unfortunately, the administration did not provide a convincing rationale, and the Congress blinked at making cuts in reserve end strength in keeping with reductions in active duty components. To give Congress a political and substantive basis for making cuts in the reserves, the bill provides for an independent study of the future mix of active and reserve forces.

H.R. 2100 has also taken a historic step toward opening aviation combat positions to women. I believe that decision to be premature, without a complete assessment of the implications. As modified by the conferees, the commission and study required by the bill should provide an objective basis for future decisions about the role of women in U.S. combat formations.

Some other positive provisions included in the bill are a 4.2 percent military pay raise in January, a first-ever comprehensive career management program for warrant officers, and strict guidelines to maintain the integrity of the officer promotion system. We also made permanent a range of benefits and programs temporarily enacted during Desert Storm that will lessen the impact of future contingencies on active and reserve service members.

On the other hand, with regard to the requirement of this bill that all officers commissioned after October 1,

1996, be given a reserve commission, the best I can say is that we have 5 years to change the law. This provision requires all new lieutenants—whether they were commissioned through the service academies, ROTC, or officer candidate schools—to compete, after 1 year in service, for prestigious regular commissions.

I am all for competition when we can stand the price. However, the price of this provision is to create a huge disincentive for men and women to seek commissioning through the service academies, where all graduates now get initial regular commissions. Moreover, it reduces the incentive to compete for regular commissions in ROTC. Right now, anywhere from 10 percent to 64 percent of all officers commissioned through ROTC initially earn regular commissions, depending on the service involved.

Overall, with regard to the substance of the personnel provisions in H.R. 2100, I believe the conferees have done a good job.

Unlike some other panels, I did not feel that the process in the personnel areas was substantially improved from last year. My complaint is not with Mr. DICKINSON or Mr. ASPIN, but rather with the mechanics of the process followed by some panels, which too often, subordinated or precluded member judgment and participation to that of congressional staff. This was not the case as to some of the panels of conferees, but it was painfully true as to others. That is something that must be changed in future negotiations between the respective armed services committees.

Mr. Speaker, in the end, there is no more good than bad in H.R. 2100, and I will support its passage.

□ 1700

Mr. ASPIN. Mr. Speaker, I yield 1 minute to the gentleman from Oklahoma [Mr. SYNAR].

Mr. SYNAR. Mr. Speaker, I urge my colleagues today to vote for the conference report on H.R. 2100, the Defense authorization for fiscal year 1992. The conference report authorizes no funds for new B-2 bombers and includes a $1 billion escrow account which can be used for another B-2 only if the House and Senate each vote to authorize release of the funds. Given the past House position, this conference agreement for all practical reasons end our country's production of the technologically unproven, missionless, and spectacularly expensive B-2 bomber.

Over the past 10 years, Congress has spent $30.8 billion for the B-2 bomber despite technological uncertainty, consistent cost overrruns, and an ever-changing purpose for its existence. Given our country's changing security needs and the fragile condition of our economy we simply cannot afford to waste the estimated $865 million per copy on the B-2 program.

Since 1986, I have demanded more accountabilty by the Air Force about the actual cost of the B-2 and offered amendments to the 1986 and 1988 Defense authorization bills which required the Secretary of Defense to disclose the cost of the program. Both amendments passed.

In 1989, I introduced legislation which limited further cost increases in the Stealth bomber program until flight testing of the B-2 was successfully completed. That measure was incorporated into an amendment to the fiscal year 1990 Defense authorization bill cosponsored by myself and Armed Services Chairman LES ASPIN that significantly restructured the B-2 program, cut procurement funds, and refused funds for production until all tests were met.

In July of 1990, I joined with Chairman ASPIN, Congressman KASICH, and Congressman DELLUMS calling for termination of the B-2 program. While the fiscal year 1991 House Defense authorization bill zeroed procurement the Senate authorized buying four more B-2's. The conference agreement left the program alive but did not permit any new purchases for 1991.

The fiscal year 1992 Defense authorization conference agreement is a big victory for the House, especially since the Senate bill included funds for four new B-2s. This is also a tremendous victory for American taxpayers. I am pleased that the conference agreement this year brings us ever closer to discontinuing all funding for the B-2.

Finally, let me stress my continued concern about the lack of oversight in classified weapons, black budget programs. Congress must have cost, design, and scheduling information about these programs in advance so that informed decisions can be made to assess the viability of these billion-dollar programs. The B-2 is a prime example of out-of-control Government spending without clear purpose, clear guidelines, or clear accountability. Americans do not want to see more taxpayer dollars poured down the drain for this program or any other unmonitored program.

Mr. DICKINSON. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Arizona [Mr. KYL], who has been in the forefront of both the energy and nuclear part as well as the SDI part of our defense bill.

Mr. KYL. Mr. Speaker, as the representative of the general provisions panel on the minority side, we had to deal with over 90 language differences. Although many of these were policy initiatives, those of us in the minority chose to concentrate on just three main issues. Unfortunately, the outcome of the conference on these three issues is a big disappointment to this side of the aisle and, to a lesser degree, perhaps even to a lot of Members of this body. We did not get a satisfactory outcome on a single one of the three issues we highlighted for special consideration.

The first of these is the so-called Bingaman manufacturing technology initiatives. Any way you slice it, the House got taken to the cleaners on this provision.

The House ended up agreeing to a series of Senate initiatives that shoved DOD into the business of setting industrial policy.

This major initiative received no hearings in the House, had no real endorsement or support in the House, and yet it survived virtually intact, with minor modifications.

It robbed $230 million from other defense programs to fund these various initiatives, though no one has any good idea whether they will work or achieve their intended results. At a time when we had to cut programs left and right because of reduced funds, we agreed to this Senate plan to essentially throw away $125 million in budget authority.

Everybody knew that the Committee on Appropriations only planned on funding this program to a maximum of $125 million, but the House still caved in to the Senate's unreasonable demands and, in our view, wasted about $125 million.

The second provision that we dealt with was the postemployment restrictions on hiring, the so-called revolving door provisions.

I think we could best characterize this as a missed opportunity. We spent a lot of time, energy and effort in trying to craft an alternative to the existing postemployment restrictions which have caused so many problems.

Unfortunately, all of this collapsed in the waning hours of the conference. I am afraid that, once again, the losers will be the taxpayers, since valued employees at the Departments of the Defense and Energy will continue to leave or not come into Federal service at all because of existing restrictions.

Third, is the DIA reorganization. This was a Senate initiative that proposed to gut Secretary Cheney's Defense intelligence reorganization. While we were able to blunt some of the negative effect of this language, once again the House agreed to legislation that virtually no one in the House supported or found necessary.

Mr. Speaker, I will expand on the problems of this issue later in my statement.

Next, Mr. Speaker, I also served as the minority representative on the Department of Energy issues. In general, the DOE portion of the strategic panel provisions are well thought out and serve the national security and environmental interests of the Nation. Provisions governing the restart of Rocky Flats strike an acceptable balance between ensuring the availability of the facility for production and ensuring safety for the citizens of Colorado.

In addition, I am pleased that the conferees did not adopt stringent lan-

guage on nuclear weapons testing. The conferees clearly recognized that the President's September initiative and President Gorbachev's response does not change the overriding imperative to continue nuclear testing. As long as the United States has a nuclear force, we will need to test it. Testing is an essential requirement for safety and modernization of our force.

I cannot, however, give 100 percent endorsement to the DOE language, because there is one provision in the bill which I believe does not serve the environmental interests of the United States. I am referring to the subsection entitled "Other Authorizations," which provides $10 million for a water management project in Colorado to divert water from the Rocky Flats facility and allows it, in essence, to flow directly to the local communities. The bill exempts this project, clearly a major Federal action, from NEPA, the National Environmental Policy Act.

The exemption means that no environmental impact statement is required for this project, despite the Department's statement that it believes NEPA applies.

I find it troubling that this NEPA exemption was requested by the same Members of the other body who for years have been trying to prevent the restart of the Rocky Flats facility in the name of "protecting the environment." Clearly they are willing to cast aside environmental laws when it serves their political purposes. I strongly object to this practice of selective environmentalism as it was practiced here.

Mr. Speaker, finally, I will have comments to add to my statement regarding the SDI Program, which was generally adequately funded except for the Brilliant Pebbles portion, which we will have to fund to a greater extent next year.

Mr. Speaker, on behalf of myself, BOB WALKER, TOM LEWIS, RON PACKARD, LARRY HOPKINS, and BOB STUMP, I would like to state strong opposition to sections 821 through 825 of the conference report for the following reasons.

First, these provisions dilute and degrade the mission of the Department of Defense, which remains the protection of the United States and not the funding of commercial development for private industry.

Second, it is not appropriate or wise to fund a domestic concern by taking away funds from legitimate DOD programs. This violates the spirit of the budget agreement. In fact, the funds earmarked for these sections come from the research, development, test, and evaluation [RDT&E] budget which is already straining to adequately fund many of the programs strongly supported by this House, such as SDI, the National Aerospace Plane [NASP], the V-22 tiltrotor, R&D centers, and the university research initiative.

Finally, the House has already passed aggressive legislation to support the commercial development of emerging technologies, H.R. 1989, making these provisions unnecessary and redundant.

In summary, sections 821–825 are seriously flawed and, at minimum, should be discretionary in nature to give the administration wide latitude on the best way to encourage and support commercial technology development. Consequently, we oppose including these provisions in the final bill as it is bad policy and a further drain on dwindling defense resources.

Mr. Speaker, this conference report contains a series of provisions which originated with the Senate and that propose to curtail the ability of the Secretary of Defense to organize his office in the area of defense intelligence.

Although we succeeded in blunting the more egregious aspects of the Senate proposal, the final outcome still contains legislative restrictions on how the Department may carry out its intelligence functions and responsibilities. The House was successful, however, in securing the language which specifically sunsets these restrictions on January 1, 1993, and thereby relieves the Department from these arbitrary constraints after 1 year. Further, it is important to note that we were able to craft the stipulations placed on the Secretary of Defense in section 921 in such a manner that they are conditioned by the preamble "subject to the authority, direction, and control of the Secretary of Defense."

In my view, this language grants the Secretary of Defense the ability and discretion to use his existing broad authority in determining how best to manage and structure the Department's intelligence activities. I hope that the Secretary will use this discretion as he sees fit to ensure that defense intelligence receives the degree of advocacy, scrutiny, and management direction from his office that has been lacking in the past.

Mr. Speaker, I believe that the provisions contained in sections 921–924 are unnecessary at best and a serious and costly mistake at worst. The Senate chose to do an about-face on this issue after severely criticizing the Department last year for not doing enough to centralize management and oversight of defense intelligence. In fact, the very reforms that these provisions attack are the result of the Senate's specific direction.

During extensive discussions with the Senate in this year's conference, they were unable to offer any substantive basis to support their provisions to undo Secretary Cheney's intelligence reorganization plan beyond "We don't like it." The Senate is content to judge this plan a failure when it has only been in effect less than 6 months. Further, their proposed solution would take us back to the old arrangement where the Defense Intelligence Agency was able to operate virtually independent of the Office of the Secretary and is precisely the arrangement that has been universally condemned as ineffective and in urgent need of repair.

Aside from the negative aspects, these provisions grant Congress a 1-year window in which to take a serious look at the Department's intelligence organization structure and develop a sound set of management principles that hopefully will get us beyond personalities and other trivial issues that so hampered discussions during conference. I trust the Department will also use this period to engage in a productive dialog with the Congress so we can jointly pursue whatever organizational solution that accomplishes the goal of attaining timely, accurate, and relevant intelligence for the support of our combat forces.

Mr. ASPIN. Mr. Speaker, I yield 3 minutes to the gentlewoman from Maryland [Mrs. BYRON].

Mrs. BYRON. Mr. Speaker, as chairman of the Subcommittee on Military Personnel and Compensation, I rise in support of the conference report accompanying H.R. 2100, the National Defense Authorization Act for fiscal years 1992 and 1993. In marking up this bill, the committee's priority was protecting people, and I believe the conference agreement before you is totally consistent with that priority.

I want to commend all of my colleagues on the committee for their diligence and hard work on the difficult issues before us.

With the budget constraints imposed for this year and the foreseeable future, we had some very difficult choices to make. I feel that our actions are both responsible and consistent with the forthcoming force drawdown.

Of particular note is the voluntary separation benefits package approved by the conferees. As my colleagues will recall, Congress last year approved a comprehensive package of benefits to assist military personnel involuntarily separated during the force drawdown. Since that time, we have seen radical changes in the Soviet Union and increasingly difficult budget problems at home. There is little doubt that the size of the Armed Forces will be cut even more than currently programmed. The question is simply how much more.

It is important to keep in mind that the force reduction is not without a price: There is no magic formula for reducing the size of today's high-quality, All Volunteer Force without adversely impacting both force readiness and the individual service members who had planned to make the military a career. We can ease the pain, however, by encouraging service members in overstrength year groups and job specialties to leave voluntarily, rather than face involuntary separation.

Very late in the authorization process this year, the Department of Defense submitted a legislative proposal to establish a voluntary separation incentive [VSI] for career personnel. Because of the late submission, this was a highly contentious issue, but I am pleased that the conferees finally agreed to include that DOD proposal, as well as a congressionally initiated voluntary separation pay plan, in the conference agreement. Service members in targeted categories will now have a choice of two programs:

Under the voluntary separation incentive, or VSI, the separating service member would receive a stream of pay-

ments, calculated at 2½ percent times basic pay times years of service, payable for twice the number of years the service member served—in effect, a fixed-term annuity.

Under the Voluntary Separation Program, the separating service member would receive a one-time lump-sum payment, calculated at 15 percent times basic pay times years of service, plus the comprehensive package of transition assistance benefits enacted last year.

With these voluntary separation tools, service manpower managers should be able to substantially reduce, if not eliminate, the need for involuntary separations as a result of the force reduction. This was a hard-fought issue in conference, but I believe the final agreement is a major step toward protecting both the quality of the force and the rights of the affected service members.

Other conference highlights include end strengths for the Active and Reserve Forces, pay and benefit enhancements, medical care improvements, and the repeal of the combat exclusion for female aviators.

For the Active Force, the conferees approved the budget request to reduce end strength by 106,000 in fiscal year 1992 and by an additional 92,000 in fiscal year 1993.

For the Selected Reserve, we felt the cuts contained in the budget were too steep and, therefore, smoothed out the glide path by prescribing a 3 percent, rather than a 9 percent, reduction for fiscal year 1992. This smoother glide path will preserve many Reserve and Guard units around the country that are currently scheduled to fall victim to the budgeteer's ax. A slower paced Reserve cut will also make sure that slots are available in Reserve units for the large number of individuals who will be leaving active duty over the next few years. We need to ensure that we have ready access to that pool of highly trained and experienced manpower.

Consistent with the Armed Services Committee's charter to protect quality of life for the current force, the conferees approved a 4.2-percent pay raise for military personnel. We also made permanent the benefit increases approved earlier this year in the Persian Gulf personnel benefits legislation:

An increase in imminent danger pay from $110 to $150 per month;

An increase in family separation allowance from $60 to $75 per month; and

An increase in the death gratuity from $3,000 to $6,000.

In addition, in order not to reinvent the wheel during a future Operation Desert Storm, we have made the package of other personnel benefits permanent with authority for the Secretary of Defense to trigger them for a future contingency operation.

The conference agreement is a continuation of the Armed Services Committee's ongoing efforts to improve the operation of the military medical care system in order to enhance both cost effectiveness and access to care. In addition, we have approved two important new benefits—hospice care and an enhanced dental CHAMPUS package for active duty dependents. In the mental health arena, we directed DOD to establish a partial hospitalization benefit as an alternative to continued inpatient care, which increased by 127 percent in 3 years.

Finally, the conferees agreed to repeal the statutory combat exclusion that prohibits Air Force, Navy, and Marine Corps women from flying combat aircraft. This decision was based on the experience in Operation Desert Storm where women, for example, flew C-130's into the combat theater on a regular basis. On the modern battlefield, the line between combat and combat support functions is blurred at best. I want to emphasize that the repeal of the combat exclusion would not mandate that women perform such missions. Instead, we provided the service Secretaries greater flexibility in managing their valuable aviation resources.

The personnel titles of the conference agreement on H.R. 2100 before you today are a major step toward both maintaining a quality force and protecting our people as we face the uncertain future ahead. I urge members' support.

Mr. ASPIN. Mr. Speaker, may I inquire how much time each side has left?

The SPEAKER pro tempore (Mr. PANETTA). The gentleman from Wisconsin [Mr. ASPIN] has 9 minutes remaining, and the gentleman from Alabama [Mr. DICKINSON] has 5 minutes remaining.

Mr. ASPIN. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia [Mr. RAY].

Mr. RAY. Mr. Speaker, I rise today in support of the conference report on the fiscal year 1992 DOD authorization bill.

As vice chairman of the Readiness Subcommittee, I would like my colleagues to note that this conference report fully funds the training and readiness requirements of our forces. The conference report also reflects a move to increase burdensharing and includes increased funding for Special Forces.

Both Armed Services Committees have maintained a firm commitment to keeping our forces in a high state of readiness without danger of returning to the hollow forces of the past.

In addition, the conference report protects the defense infrastructure of our Nation and maintains a logistics network capable of mobilizing and surging in our time of need.

As chairman of the Environmental Restoration Panel of the Armed Services Committee, I am pleased to point out that the conference report also contains a number of significant environmental funding and legislative provisions. The most important of these sends a clear messge of the high priority Congress places on DOD base closure cleanup efforts. The conference report increases authorization for base closure cleanup by $238 million. This doubles the President's request.

In addition, the conferees agreed to expedite cleanup at base closure national priority list sites by setting shorter deadlines for the completion of cleanup studies. I am confident these actions will provide DOD with the means to accelerate the environmental cleanup of base closure sites and free up such property for alternative economic use.

The conference report also enhances DOD's environmental compliance efforts by authorizing $45 million more than the President's request.

This is on top of the 40-percent increase from last years' level.

Lastly, the conference report improves DOD's pollution prevention efforts by extending the existing Waste Minimization Program at industrial funded depot maintenance activities. This program will continue to provide a dedicated and significant source of funding to support capital improvements and process changes to minimize or eliminate the use of hazardous materials used to modify or maintain military weapon systems and equipment.

Altogether, this conference report provides over $3 billion to support DOD environmental activities aimed at cleaning up the sins of the past, complying with current environmental requirements, and avoiding pollution in the future.

□ 1710

Mr. ASPIN. Mr. Speaker, I yield 1 minute to the gentleman from Florida [Mr. HUTTO].

Mr. HUTTO. Mr. Speaker, I rise in strong support of the fiscal year 1992 Defense authorization conference report. As the chairman of the Subcommittee on Readiness, I can report that the action taken by the conferees maintains the readiness and sustainability of our Armed Forces by authorizing $84.4 billion for operation and maintenance. This is down from past year's, but this year's authorization is tailored to the reality of world change.

The conferees also increased funding for chemical warfare protection and training, treaty verification, audit oversight, drug interdiction efforts, environmental restoration, and special operations forces. We provide proper training for all our forces—flying hours, steaming hours, et cetera.

We reduced funding levels for foreign national pay, excess inventory levels, and excessive industrial fund balances.

While no contingency is entirely predictable, our forces must be versatile and ready to react to a wide range of

conflict types. Our fighting forces were prepared for and victorious in Desert Shield and Desert Storm.

This conference report assures that our military forces will continue to be strong and ready in the new world environment. I urge my colleagues to support and vote for the conference report.

Mr. ASPIN. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. PANETTA].

Mr. PANETTA. Mr. Speaker, I rise in support of H.R. 2100, the conference report on the Defense authorization bill. I think the chairman of the Committee on Armed Services and the other members and the other conferees on this bill have already worked diligently to try to craft a defense bill which does continue the transition from a cold war to a peacetime defense budget.

The bill recognizes that the world is changing significantly, that resources are limited and that the old ways of providing for national security are going to have to change.

It it not perfect, but obviously it is a step in the right direction. The total funding provided by this conference report is $209.8 billion budget authority and $294.3 billion in outlays, which is consistent with the ceilings established in last year's budget summit agreement.

Let me also add my particular thanks to the chairman and to the other conferences for the adoption of the amendment relating to base closure cleanup. It is absolutely essential that we expedite cleanup and that we provide the additional funds for cleanup so that those communities can expeditiously reuse the bases that they now confront because of the reductions in the defense budget.

I rise in support of H.R. 2100, the conference report on the fiscal year 1992 Defense authorization bill. The chairman of the Armed Services Committee and the other House conferees have worked diligently to craft a defense bill which continues the transition from cold war to peace time defense budgets. The bill recognizes that the world is changing significantly and that the old ways of providing for national security no longer work. The bill is not perfect by any means and I certainly do not agree with all parts of it. But within the constraints of legislative compromise the conference report is a good bill.

During the conference, House and Senate conferees resolved hundreds of funding and language differences including several major differences involving a potential Presidential veto. The conference report maintains the House position on the F–16 and V–22 aircraft, the CH/MH–53 helicopter, the KC–135 reengining program, Reserve personnel levels, and essentially splits the difference on SDI. The conference report stops procurement of the B–2 at the 15 aircraft previously funded unless both the House and Senate separately approve another B–2 aircraft.

The total funding provided by the conference report is $290.8 billion in budget authority and $294.3 billion in outlays which is consistent with the ceiling established for defense in last year's budget summit agreement of $290.8 billion in budget authority and $295.3 billion in outlays. I urge my colleagues to vote yes.

Mr. Speaker, I also want to take this opportunity to note the conferees' approval of an amendment, of which I was the author, placing deadlines on the Department of Defense's remedial investigations and feasibility studies at military bases on the Superfund list and slated for closure. As my colleagues will remember, the amendment ensures that the Defense Department will not be able to drag its feet studying hazardous waste sites at idle bases awaiting closure while our economically strapped communities wait for the chance to recoup their losses through alternative uses.

Mr. Speaker, this amendment's passage is a warning shot. It is an indication that Members of Congress representing base closure communities are not happy about the straits in which we find ourselves. On one side, we are losing our bases. In my district, Fort Ord's closure amounts to an economic earthquake, the equivalent of the loss of one-third of Monterey County's gross annual product. On the other side, we cannot begin to plan and to reuse our bases until DOD completes its study of the hazardous waste sites at our bases.

The full Congress has expressed its will here, Mr. Speaker. We have got to see the RIF's process expedited. We know that the DOD has the resources and the expertise. We know that it can be done, and we have expert testimony that we can achieve this goal. Mr. Speaker, we will be following this process very closely. Make no mistake, my friends, the suffering has only begun. It is my fervent hope that we will not have to revisit this issue. We are told that bases will be recommended for closure in 1993 and 1995. I can promise you that future Congresses will be even more sensitive to this issue.

I thank the conferees for their attention to our concerns, then, and I pledge my continuing commitment to stringent and expeditious completion of the studies and restoration required before we may reuse our closing military bases.

Mr. DICKINSON. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. WELDON].

Mr. WELDON. Mr. Speaker, I rise in strong support of the conference agreement and thank the gentleman from Wisconsin, Chairman LES ASPIN, and our ranking Republican leader, the gentleman from Alabama [Mr. DICKINSON] for not a perfect bill, not a perfect conference, but in the 5 years that I have been here the most responsive legislation and conference process that I have been able to observe.

Specifically, I would also like to thank the gentleman from Virginia [Mr. SISISKY], conventional panel chairman, and the gentleman from Ohio [Mr. KASICH], ranking member, for the openness with which they conducted the conventional panel deliberations.

On the strategic side I think we made some difficult but right decisions. We have allowed the B–2 program to continue to be sustained for 1 year and we have upped the funding for SDI to, I think, an appropriate level.

As Gavriil Popov, the mayor of Moscow and a Yeltsin adviser, told the Krieble Institute in this city just 1 month ago, it was SDI that convinced the Soviet hard-line Communists in the mid-1980's that radical reform was necessary.

I think it is important that we reaffirmed that with our funding level for SDI. On the conventional side I am happy with the decisions on the C–17, the F–16, the Patriot, unhappy with the deliberations and the final outcome of the F–117 and F–14 debate. But I am extremely pleased with the fact that we have supported our special operations forces and our Marines with our No. 1 priority, and that is full funding for the V–22 Osprey.

I want to thank also the conferees for their support of our Guard and Reserves and for also dealing with the difficult issue of women in combat. All in all, I think it is a fair bill. I think it is a good bill. I think it is a defense conference agreement that all of us on both sides of the aisle can support.

Once again, I compliment both the chairman and the ranking member for their leadership in this effort.

Mr. ASPIN. Mr. Speaker, I yield 3 minutes to the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. Mr. Speaker, I rise in strong support of this bill, and I would like to say that when the military was called to war in January in the Persian Gulf, the military went to war but the people went to war when the Reserves and National Guard were called up and marched off to war. We got the people involved, and that is why we did not have a lot of people carrying signs out there.

This bill does not make drastic cuts in personnel and force structure for the National Guard and Reserves as much as the administration wanted to, but it does and will cut some Guard and Reserve units around the country.

I do not like it. I do not think it should be cut, but there will be some few cuts in Reserve units.

This is a good National Guard equipment package. We came out pretty good. Actually, we did better in the equipment package than we did in the end strength and force structure.

It is overall $1 billion for new equipment. So I certainly hope Members will support this legislation.

I would like to ask the chairman to clarify the intent of this legislation. It says in the bill, "A competitive grant to a university associated with the National Biomedical Research Foundation" to carry out "research in the fields of neurology, pediatrics, other specialties," and it is a critical part of the laboratory facilities and special equipment.

My point to the chairman is, I want to make sure that this authorization is not intended in any way to involve or affect the research programs for the Department of Veterans Affairs.

Mr. ASPIN. Mr. Speaker, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Wisconsin.

Mr. ASPIN. Speaker, it is not the intent of the Committee on Armed Services to involve or affect the Department of Veterans Affairs in any way with this research project.

Mr. MONTGOMERY. Mr. Speaker, reclaiming my time, I have two more requests. I also want to be sure that the RECORD is clear that this research grant, should it be used to build a research facility, is not intended in any way to affect how the Department of Veterans Affairs allocates its research funds in this legislation.

Mr. ASPIN. Mr. Speaker, the gentleman is correct. It is not intended that any research program or funding of the VA be affected by this grant.

Mr. MONTGOMERY. Mr. Speaker, my last clarification, I also want to be sure that there is no intent here in any way to influence that type of research being done by the VA and that there will never be any call on the VA by the recipient of this $30 million to use VA research funds, joint VA/DOD research funds, or VA personnel or researchers involved with the Veterans Department.

Mr. ASPIN. Mr. Speaker, if the gentleman will continue to yield, the gentleman is absolutely correct. It is not intended now nor in the future to involve VA funds or joint VA/DOD research funds.

Mr. MONTGOMERY. Mr. Speaker, reclaiming my time, let me thank the gentleman.

Back to the Reserve and National Guard, an armory in a small community of 100 Guardsmen, men and women, brings in about $1 million payroll a year. Certainly we should not be closing these armories, and I hope the Defense Department will not close one.

Mr. ASPIN. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. FOGLIETTA].

Mr. FOGLIETTA. Mr. Speaker, I rise in support of the Defense authorization bill.

For 40 years, we spent trillions of dollars to aim weapons at the monolithic Soviet bear. Now that bear has been slain. We face a new world order. The Soviet Union is now a patchwork quilt of republics, each hungry for freedom. Eastern Europe has joined the world community, but the civil war in Yugoslavia shows that the future is fraught with pitfalls.

This bill approves the complex overhaul of the U.S.S. *Kennedy* at the Philadelphia Naval Shipyard in my district.

The bill also includes money to overhaul the U.S.S. *Forrestal* at Philadelphia. I congratulate the workers at the Philadelphia Naval Shipyard for being the best in the Nation. We need aircraft carriers, and we need the Philadelphia Naval Shipyard to modernize them.

We need to spend less on defense. And, in this bill, we do. But we should not stop here. The defense budget should continue to decrease. We need to buy the right stuff. This bill buys no more B–2 bombers, no more MX missiles. We do need them and we cannot afford them.

I want to applaud my chairman, LES ASPIN, on his negotiating skills. Our committee and our chairman deserve a great deal of credit for this bill which appropriately looks toward defending America in the next century.

Vote "yes" on this bill.

Mr. ASPIN. Mr. Speaker, I yield such time as he may consume to the gentleman from Maryland [Mr. CARDIN].

Mr. CARDIN. Mr. Speaker, I rise in support of the conference report.

Mr. Speaker, I rise today to express my deep concern over the lack of support in this body for aid to assist the Soviet people.

The August coup in the Soviet Union showed just how volatile the shift from communism to democracy can be. Fortunately, the right-wing coup failed and political and economic reforms were, in fact, strengthened. The next few months will be crucial to the continued progress of democracy and economic reform in the Soviet Republics.

People keep talking about the peace dividend, but what will happen if millions of Soviet people starve this winter? What will prevent another hardline Communist coup from taking place, and who is to say the next one will fail? If a meaningful peace dividend is going to develop, we must ensure reforms will continue in the Soviet Union.

The chairman of the Armed Services Committee proposed giving the administration the latitude to provide up to $1 billion in antichaos and defense conversion assistance to assure the continued progress of reform. A billion dollars is a significant amount of money, yet it pales in comparison to the $291 billion we will spend on defense in the upcoming year.

The failure to provide aid to the Soviet people, while politically expedient, is shortsighted. For decades we have been building up against the Soviet threat, yet, when we are presented with an opportunity to help reduce the Soviet threat, we refuse to respond. After all, one-third of one percent of the defense budget is not much to spend for a little insurance.

Mr. ASPIN. Mr. Speaker, I yield such time as he may consume to the gentleman from Delaware [Mr. CARPER].

Mr. CARPER. Mr. Speaker, I rise in support of the conference report.

Earlier this year, the House of Representatives adopted an amendment to the fiscal year 1992 intelligence authorization bill that Representative JOHN MILLER and I offered. That amendment called on our Government to lift the veil of secrecy that has surrounded too much of our Nation's actions as they relate to American POW's and MIA's from the Vietnam and Korean wars and from World War II.

An amendment similar to the Miller-Carper amendment was offered by Senator MCCAIN of Arizona to the fiscal year 1992 Defense authorization bill. The Senate adopted that amendment.

The compromise that is before us today represents acceptance of most of the Miller-Carper amendment as it pertains to American POW's and MIA's from the Vietnam war. Apparently, House and Senate conferees on the intelligence bill have agreed to a study to consider whether a similar approach is justified in conjunction with American MIA's from the Korean war and from WWII.

I am satisfied with the overall results that we achieved by combining this final compromise on the Defense bill with the aforementioned compromise on the intelligence bill. If the study recommends further action in relation to Korean war and WWII MIA's, we can take it next year.

In the meantime, we have strengthened here the rights of 2,300 American families, whose relatives never came home from Southeast Asia, to be more fully informed as to the fate of the loved ones.

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Mr. DICKINSON. Mr. Speaker, I have three very distinguished Members of this House who are not on the committee but feel strongly about this bill.

Mr. Speaker, I yield 1 minute to the distinguished gentlewoman from Connecticut [Mrs. JOHNSON].

Mrs. JOHNSON of Connecticut. Mr. Speaker, I thank the gentleman for yielding time to me and appreciate this opportunity to rise in strong support of the conference committee bill. I appreciate the good work of the chairman and the ranking member and those on the committee.

This is very responsible policy in regard to America's industrial base. It is very important in this era of declining defense spending that we make change in a way that our great contractors will have time to develop commercial markets that not only will keep them providing thousands of jobs in States like Connecticut, but will retain our inherent ability to produce should we need to surge production to meet a threat to our society. So I appreciate the thoughtfulness of this budget in regard to industrial base issues.

Second, I very much appreciate the committee's action in regard to reserve strength. More gradual reductions will allow regional viability to be maintained and units of historic importance, like the great 169th, to be a part of our future as it has been a part of our past.

The SPEAKER pro tempore (Mr. SYNAR). The Chair will remind the gentleman from Alabama [Mr. DICKINSON] that he has 2 minutes remaining and the gentleman from Wisconsin [Mr. ASPIN] has 2 minutes remaining.

Mr. DICKINSON. Mr. Speaker, I yield 1 minute to the distinguished gentleman from California [Mr. ROHRABACHER].

Mr. ROHRABACHER. Mr. Speaker, I rise in support of the DOD authorization conference report.

The report offers a prudent response to the decline of the Soviet threat

while still preparing for challenges in the years ahead.

I would have preferred a stronger commitment to a limited production of the B–2.

I applaud the solid commitment to SDI.

I applaud the removal of the proposal for us to send $1 billion in aid to the Soviet Union.

Finally, I support this bill's commitment to proceed with the NASP.

Whatever country has this technology will hold high ground in aerospace in the next decade.

It has both defense and commercial applications.

I am disappointed that NASA has limited its support for NASP. But as DOD provides fewer defense contracts to our aerospace industry, it is justified that it pick up a bit more of the projects with dual defense and commercial application, like NASP and the V–22.

Mr. DICKINSON. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. PACKARD].

Mr. PACKARD. Mr. Speaker, the technologies, manufacturing capabilities, and grants contained in title VIII of the DOD authorization conference report would be more appropriately pursued in the private sector.

The net effect of these provisions will be to significantly increase the Government's involvement in industrial policy which will, in turn, diminish DOD's focus on its primary mission: national security.

The funds for these industrial policy sections come from the part of the budget which also supports such programs as SDI, NASP, the V–22 tiltrotor, R&D centers, and the university research initiative.

It is indeed unfortunate that these critical defense R&D programs will be taking the hit for commercial product development programs that were not even contained in the original House authorization bill.

Given that these industrial policy programs originated solely in the Senate—the conference report before us today represents a poor compromise for the House.

The administration is opposed to these provisions and thus in the spirit of cooperation we suggested that these grants be made subject to the Defense Secretary's best judgment. I am disappointed that this discretionary authority—which I consider to be an extremely fair compromise—was not included in the conference report.

Mr. ASPIN. Mr. Speaker, I yield as much time as he may consume to the gentleman from Kansas [Mr. SLATTERY].

Mr. SLATTERY. Mr. Speaker, I rise in support of the conference committee report, and I commend the members of the committee for their wisdom in terminating further production of the B–2 bomber.

Mr. Speaker, I want to commend Chairman ASPIN and the other members of the House Armed Services Committee, who have worked hard to put together a defense bill which recognizes the changing realities of the world while maintaining a careful and comprehensive defense for our Nation.

I am particularly pleased that for the second year in a row, the Congress has not authorized any production funds for new B–2 Stealth bombers. I have been working with the chairman and members of the committee for almost 2 years now to terminate further production of the B–2, a plane we do not need, and cannot afford. If we are successful in finally ending production of this boondoggle next year, we can save American taxpayers some $50 billion over the next decade.

I am happy that the conference agreement also includes $225 million for the M1-to-M1A2 tank upgrade program, which will help to maintain our domestic tank production base. The Army does not expect to deploy the so-called Block III tanks until after the turn of the century. It is vital that we remain prepared for regional conflicts like the recent Persian Gulf war, where the M1A2 performed so well.

Finally, the conference report ensures that before the Pentagon can begin wholesale reduction of the National Guard and Reserve, Congress must see the roadmap. Guard and Reserve troops are much more cost-efficient than active duty soldiers, and once disbanded, Guard and Reserve units are very difficult to reconstitute. It does not make sense to cut active and reserve forces on a 1:1 basis, and I am glad the conference report recognizes this. It requires the Pentagon to prepare a substantive and comprehensive report on the proper mix of active duty and reserve forces.

I look forward to working with the chairman again next year on these and other issues, and I urge my colleagues to support the conference report on H.R. 2100.

Mr. ASPIN. Mr. Speaker, I yield 1 minute to the gentleman from Illinois [Mr. DURBIN].

Mr. DURBIN. Mr. Speaker, I thank the chairman for yielding me this time.

Mr. Speaker, I generally support this conference committee report with one notable exception. When it comes to the strategic defense initiative or star wars, news that the cold war has ended has not reached some quarters in Washington. While we close military bases across the Nation and agree on a bipartisan basis to significantly reduce defense spending over the next 5 years, the architects of SDI press for more money. This report contains a 30-percent increase in star wars funding, the first increase in this questionable program since 1988, a $1 billion increase over last year's spending.

Those who follow this Chamber's business may note how many Members come to the floor to criticize funding for education, health care, medical research, and highways. They call those budget busters. But when it comes to a $1 billion increase for star wars, those self-annointed budget cutters are nowhere to be found. With that exception I support the conference committee report.

Mr. ASPIN. Mr. Speaker, I yield 1 minute to the gentleman from Florida [Mr. BENNETT].

Mr. BENNETT. Mr. Speaker, I congratulate the chairman and the majority and minority leadership and the members of the committee for bringing forth a conference report which is a very thoughtfully arrived at one and one that has my support.

Two matters of concern: First, the SDI funding money, which I think is probably a little on the generous side. We were assured in the conference that the provisions of this bill are ABM Treaty complaint. I am glad to know that.

The next thing I would like to address in the remaining seconds of my speech is to say that I hope that the good ideas of the chairman relative to aiding Russia are not going to totally drift away, because he had a very good blue ribbon arrangement there which I hope we will follow up on. We have a lot of assets in our country which could be traded and bartered with Russia. France and Germany have both entered into things like this with Russia, and I think we should follow their lead.

As many know, I opposed the original conference report language that allowed the President to transfer up to $1 billion in DOD funds for the purpose of aiding the Soviet Union. I support helping the Soviets demilitarize and establish a market economy, but in my opinion, throwing scarce U.S. taxpayer dollars at them is not the best way to assist them. Also, $1 billion would only be a down payment on a much larger bill. The amount needed to bail out the Soviets would dwarf the $13 billion that we spent to reconstruct Europe after World War II. Given our Nation's state of fiscal disrepair we simply cannot afford this type of legislation

However, I am dismayed that in ridding the conference report of the billion dollar transfer we have thrown out some sound proposals to speed Soviet democratization and demilitarization. I think that these provisions should have remained in the final legislation. For example, in the Soviet aid title it was suggested that we establish a blue ribbon panel to advise the President on steps that the United States can and should take to help the Soviets. This provision is now gone and that is a mistake. We need this type of panel.

I believe that compromise legislation on the Soviet aid issue would have better served the financial and long-term national security needs of our Nation. Unfortunately, partisanship in the Congress and lack of resolve by the White House seems to have conspired to sink this possibility.

Regarding the SDI, we were assured in the conference that the final provisions on this issue were compliant with the ABM Treaty. With that assurance, though I feel that the amount for SDI is excessive, these provisions are not something that should hamper the conference report.

Mr. MOODY Mr. Speaker, I must oppose the Defense conference report that we are

considering today because it is out of step with the international situation and out of step with domestic budget realities.

The bill does not permit production of new B–2 bombers and that is an important victory. But the bill still provides $1.8 billion in new B–2 procurement to keep the production line open. This is a tremendous waste. I supported the House bill provided no procurement funds.

The most outrageous aspect of this bill is that it includes a $1 billion increase in funding for the strategic defense initiative. Since the 1960's, the United States has maintained a modest research program in defensive technology, keeping an eye out for major technological breakthroughs. Then, in 1983, President Reagan sent our country on a wild goose chase, ramping up funding for SDI at an incredible rate, and searching for a defense that would render nuclear weapons impotent. That search for a technological breakthrough never bore fruit but it cost our country more than $25 billion

This bill would take our country down another primrose path by focusing the SDI program on a less ambitious ground-based system. In effect, this represents a decision by Congress to attempt to accomplish less while spending far more. It makes no sense.

I want to talk briefly about an issue that has been of great concern to me—procurement of MX test missiles. The MX is a very destabilizing weapon because it presents an inviting target for preemptive attack. After years of painful debate, Congress finally agreed to deploy 50 missiles in silos. What many do not realize, however, is that in order to deploy 50 missiles the Air Force brought 114 missiles. The additional 64 missiles are for testing and to have spares on hand. The Air Force fires off several missiles each year to detect any significant problems that would undermine reliability of the missile.

Last year, I requested a study from the Air Force describing the requirements for the MX test program. The report was released last week and it states that, with 114 missiles, the Air Force can secure data that "will provide a high probability of detecting a significant decrease in reliability." In last year's bill, Congress provided funding for the last 12 missiles, reaching a total of 114 missiles.

It is incomprehensible to me that the bill we are considering today would provide $252 million to buy six more MX test missiles. I cannot understand this. The Air Force has not requested this funding. It has enough missiles to test for the next 15 years. In my mind, this provision simply throws away $252 million that the U.S. taxpayer entrusted to our care.

We have to lift our heads out of the minutae of defense and look at the world around us. We are the world's sole superpower. Our conventional force was overwhelming and unchallenged in the gulf war. Our nuclear force is clearly excessive in the post-cold-war era. This bill reflects some of those changes but it doesn't go far enough, particularly in the respects I have mentioned.

We are a giant overseas but we are not standing tall at home. We can't educate our children or maintain our roads and bridges. There are 34 million Americans who have no health insurance and 60 million who are underinsured. We have done nothing for them. We have to scrape and wrangle with the President to get extended unemployment benefits to working American families put out of work by the recession.

I have to conclude that these needs are more urgent than many programs in this bill. Until we can address them, we should not be spending $1.8 billion for the B–2—a program we supposedly canceled, $252 million for the MX—a missile the Air Force doesn't want, and $4.15 billion for SDI—a spotty defense that our country doesn't need.

Mr. BORSKI. Mr. Speaker, I rise in strong support of the conference report on H.R. 2100, the Department of Defense authorization bill for fiscal year 1992.

As a Public Works Committee conferee, I am pleased to see that the conference report reaffirms the position of the Committee on Public Works and Transportation that the Base Closure and Realignment Commission does not have jurisdiction over the proposed civil works reorganization of the Army Corps of Engineers. This report makes clear that the Public Works Committee is the proper forum for consideration of the Army Corps' civil works reorganization proposal.

Earlier this year, when the Base Closure and Realignment Commission [BRAC] was deliberating, Public Works Committee Chairman ROBERT ROE and ranking member JOHN PAUL HAMMERSCHMIDT asserted the committee's claim that reorganization of Army Corps civil works programs was solely within the jurisdiction of the Public Works Committee and did not fall under the Commission's preview.

In its final report, BRAC gave Congress until July 1, 1992 to act on reorganization of the Army Corps. If Congress did not act, the corps' plan would take effect.

Had the Army Corps of Engineers been allowed to proceed without input from the Public Works Committee, the proposed reorganization would have had a very detrimental impact on many Army Corps districts, including Philadelphia.

Under the plan approved by BRAC, the Philadelphia District office would have been closed. That closure would have been devastating to the Delaware River ports in particular. The ports are dependent on the corps for the timely dredging of the Delaware River, which is essential to the ports' competitiveness. Without a corps presence in Philadelphia, business and employment in the port and shipping communities would suffer greatly.

As conferees on section 2821 of H.R. 2100, my colleagues on the committee and I worked to ensure that reorganization of the civil works programs of the Army Corps was removed from the base closure process and returned to the Public Works Committee's jurisdiction.

I am pleased that the Army Corps' reorganization proposal has been returned to the Public Works Committee and I am looking forward to the committee's consideration of the plan.

Mr. FAZIO. Mr. Speaker, I rise today in support of the conference report. I want to commend Chairman ASPIN, the members of the Armed Services Committee, and the committee staff for the outstanding job they have done in crafting this important legislation.

Clearly, we are at a new crossroads in terms of our national security requirements in light of the dramatic changes we have witnessed throughout the world in the last 2 years. The bill we are considering today begins the process of reorganizing our defense priorities and investing in those weapons systems and research initiatives that will provide us with a defense that works now and in the future.

Mr. Speaker, my colleague from Oregon, Mr. AUCOIN, and I would also like to commend Chairman ASPIN for his diligence on a particular provision in the House version of this bill which was ultimately not adopted in conference. The provision that I am referring to would have guaranteed that women who serve in the military overseas, as well as women who are dependents of military personnel stationed overseas, have the same access to safe, legal and affordable reproductive health services currently available to their stateside counterparts. Mr. AUCOIN and I were the sponsors of this provision.

Unfortunately, the amendment was dropped in conference. However, the gentleman from Oregon and I continue to believe that this is an important and critical health issue for women and we will continue to press for enactment of legislation that permits women who are serving their country overseas with access to safe and affordable health care services. We look forward to working with the leadership of the Armed Services Committee to include this important provision in next year's bill.

Overall, Mr. Speaker, this conference report is good policy, and I urge my colleagues to support it.

Mrs. LLOYD. Mr. Speaker, today I rise in support of the Defense authorization conference report for fiscal years 1992 and 1993. As a member of the Armed Services Committee and a conferee on this years agreement, I am particularly aware of its merits as a fitting bill for a changing world climate and an evolving defense posture.

This has been an exciting time to serve on the Armed Services Committee and as a conferee considering all that has taken place in the past year. We have been able to craft a bill that takes into consideration a victory in the Middle East for both technology and personnel and a unilateral Presidential initiative to cut nuclear weapons on American soil and abroad. The Nation's shift toward a reliance on conventional weapons for deterrence rather than the cold war ideology of mutually assured destruction is reflected in the conference report.

In brief, B–2's are out and the strategic defense initiative has received a new lease; the V–22 Osprey, the F–16 fighter are in, SRAM–II and SRAM–T are out. The bill is a victory for women in our armed services. The repeal of the restriction on women flying combat mission stands, and the future role of women in the military is getting the attention it rightly deserves. The Guard and Reserve, threatened by drastic administration cuts, have been assured improved training with modernized equipment and an increased role in future conflicts. Finally, the bill goes to great lengths to confront the issue of military drawdown as painlessly as possible, offering a program of voluntary separations and improvements in benefits and post service care.

I am sensitive to the feelings of my colleagues who would have liked to have seen further cuts in the defense budget. Perhaps in time, they will come. But I must caution against any drastic or haphazard raids on the defense bill. There remains some degree of instability in the Middle East and in the Soviet Union and elsewhere. We must be prudent in our national defense decisions and continue to be willing to adapt to the changing world enviornment. The fiscal year 1992–93 Defense authorization bill is our best effort toward that end and I urge my colleagues to support this measure.

Mr. GREEN of New York. Mr. Speaker, I must rise in opposition to the fiscal year 1992 Defense Authorization Act conference report. While there are many aspects of the bill I endorse, on several important issues the conference report fails to make the hard choices this Nation simply must make with regard to future defense spending.

Overall, the amount of money we are devoting to defense is too high given the deficit our Nation faces. The level authorized in this agreement, $290.8 billion, is the maximum allowed by the budget agreement for defense. Thus, in spite of the collapse of communism and the disintegration of the Soviet Union, in spite of the failed August coup attempt, we are spending $2.5 billion more than last year for defense. Our Nation simply does not have it to spend. Some of the moneys allotted to defense should be transferred to deficit reduction. We are now spending about 15 percent of our budget on the Nation's debt service, or roughly equal the amount we are allotting to domestic discretionary spending. While defense cuts alone will not solve our budget woes, it is one place where we must make cuts.

A good example of where we have missed an opportunity for savings is with the B–2 bomber program. In the conference agreement before us we are asked to endorse nearly $3 billion in B–2 bomber procurement funds, in addition to $1.6 billion in research and development funds. Why, Mr. Speaker, are we continuing to leave the production lines open on the B–2 bomber? It is now clear that Congress is ultimately unwilling to support the B–2 program, and it is a program which increasingly lacks a strategic mission. Although we refuse to support the B–2 program, however, Congress lacks the courage to kill it outright. As a result, we shall end up paying more per unit cost for a program that the country cannot afford and does not need.

The budget deficit facing our Nation—$261 billion and growing—will continue to suffer for this lack of leadership. Ours is a nation that pretends to do it all, no matter what the cost. Recently, for example, I fought a battle to bring NASA's priorities "down to Earth" by eliminating the $40 billion space station. I took that step because I concluded, after great study, that the space station program was not going to give this country enough scientific payback for our massive investment. In the end, my view was not held by the majority in either the House or Senate, nor by the administration, and I lost the battle to cut the space station. I remain concerned, however, that on big-ticket item after big-ticket item, Congress and the administration are failing to select our priorities according to our means. The conference report with regard to B–2 funding reflects that dismal reality.

Relatedly, in this time of unprecedented budget deficit, the agreement before us authorizes $4.15 billion for the strategic defense initiative [SDI], a $1 billion increase from last year and the first increase for SDI since 1988. My question, why now? While I commend the conferees for their efforts to reorder the priorities of SDI, I fail to see how such a vast budget increase can be justified.

Principally on these points, I must vote against this agreement.

Briefly, on other items in the agreement:

I must take this opportunity to commend the conference report for repealing the combat exclusion laws prohibiting the assignment of women pilots to fly Air Force and Navy combat aircraft.

I also strongly support the agreement's 1-year ban on tests of the mid infrared chemical laser [MIRACL] anti-satellite weapon against an object in space. I have long called on the President to seek an immediate and mutual moratorium on ASAT testing. Neither the Soviets nor we can afford to do without intelligence and communications satellites, and if those systems are threatened by ASAT's, each country will spend more and more to superharden their satellite technologies.

Regarding nuclear testing, I endorse the conference agreement's provision of $20 million for the Nuclear Test Ban Readiness Program, as well as the call for negotiations to end nuclear testing. In a recent report to Congress, physicist Ray Kidder of Lawrence Livermore National Laboratories argues that concerns about the safety of the nuclear stockpile should not limit United States consideration of a partial or comprehensive test ban [CTB]. Dr. Kidder argues that with a small, finite number of tests—about 8 to 10 he said in a recent telephone conversation with me—the United States should be able to achieve a CTB by 1995. I continue to advocate strongly a CTB, and I fear that if the nuclear powers do not restrict nuclear testing before the review of the Nuclear Non-Proliferation Treaty [NPT], other countries may work against extending the NPT when it is up for renewal in 1995. Progress toward a CTB has always been regarded by the nonnuclear weapons states to be an absolute minimum condition for superpower compliance with article VI of the NPT, which encourages weapons states to agree to negotiate in good faith to end the arms race.

In closing, while there are several aspects of the conference report I strongly endorse, I must cast my vote against this bill because of its failure to make the hard choices this Nation simply must make with regard to future defense spending.

Mr. DURBIN. Mr. Speaker, the conference report on the Department of Defense authorization bill includes an important provision that will reaffirm congressional intent to use renewable fuels to reduce our dangerous dependence on crude oil from overseas. We must not forget that just a year ago, we were preparing to go to war in the Persian Gulf, and we continue to import more than one-half of the crude oil we need to run our economy.

Ethanol increases our energy security, improves air quality, and boosts the domestic economy. Because of its benefits, our laws for a decade have called for the use of ethanol in a 10-percent blend with gasoline in Federal vehicles whenever possible. Every car sold in America today can operate safely on a 10-percent ethanol blend, and consumers have driven nearly 1 trillion miles using such fuels.

Yet, despite the clear benefits of using alternative fuels, almost none of the fuel purchased by the Federal Government today contains ethanol. Federal law permits exemptions where they are legitimately necessary, but these exemptions have been abused. The Department of Defense is the primary fuel purchaser for the Federal Government. Yet, even though the Department of Defense is required by law to purchase ethanol blends whenever feasible, in fact only four one-hundredths of 1 percent of the fuel purchased by DOD contains ethanol.

This legislation will put the Federal program back on track. It requires the Secretary of Defense to purchase ethanol blends whenever consistent with vehicle management practices. To put an end to the unnecessary exemptions that have gutted this program in the past, the bill directs the Secretary of Defense and the Administrator of the General Services Administration to review all exemptions granted in the past and to terminate all exemptions that are no longer appropriate. They are to report to Congress 90 days after this bill is enacted into law, to inform us of the results of their review.

I intend to carefully study the report to Congress to determine whether the Federal Government is finally going to comply with the intent of the energy security bills Congress passed in the early 1980's. It is time to close the unnecessary loopholes that have prevented the Federal Government from taking full advantage of ethanol, and to put the Federal Government in the forefront of the movement to use domestically produced, renewable ethanol to reduce our dependence on energy supplies from the Middle East.

Mr. LEVIN of Michigan. Mr. Speaker, I wish to express my support for the conference report on H.R. 2100, the 1992 Defense authorization bill. In my judgment, the conference report strikes a balance between our Nation's genuine defense requirements and the need for U.S. defense policy to adapt to changing world circumstances.

Mr. Speaker, the cold war is over. The threat of a large scale nuclear exchange between the United States and the Soviet Union is—if not over—at least greatly diminshed. The Warsaw Pact has been disbanded. Our longtime adversary is weakened and has been forced to release its grip on Eastern Europe. Of course, we cannot ignore the fact that the Soviet Union retains a formidable nuclear arsenal, but it is also true that the Soviet Union is increasingly preoccupied with intractable economic collapse and political fragmentation.

The conference report reflects these realities. This Defense authorization bill turns the corner away from expensive and unnecessary nuclear systems like the rail-based MX missile. I have opposed the rail-based MX for years, so I am pleased that Congress is finally canceling this program.

Instead, the conference report bolsters our defense where the need is greatest: in the

conventional area. For example, the conference report contains funding for additional F–16 fighter/bombers and new Stealth fighters. I am pleased that the bill also contains a substantial increase for the M–1 tank program. The increased funding will be used to purchase new M–1A2 tanks as well as to upgrade older M–1's.

While I concur with the overall direction of the conference report, I am nevertheless concerned about the provisions in the report relating to the strategic defense initiative [SDI]. It seems to me that the proposed $1 billion increase in funding for SDI is not justified at this time. Since 1984, the United States has spent more than $23 billion on SDI with little tangible benefit to our national security. In particular, I object to the $390 million earmarked by the conference report for the so-called Brilliant Pebbles program. In my view, the Brilliant Pebbles concept is fundamentally flawed and should be abandoned.

Taken as a whole, the conference language moves the Defense budget in the right direction. I congratulate Chairman ASPIN and the House conferees for their work on this measure and urge passage of the bill.

Mr. BROWN. Mr. Speaker, I rise in strong support of the conference report on H.R. 2100 and of the dual-use technology, manufacturing, and education provisions—sections 821–825 and 829—in the fiscal year 1992 Department of Defense Authorization Act. There is a growing awareness that the military and commercial technology bases are converging and that the commercial marketplace, not the defense sector, is increasingly the technology driver today.

As the defense budget shrinks over the next several years, and DOD can afford less custom made products, the strength of the traditional civilian manufacturers will become increasingly important for national security. We must focus our attention on technology that both gives us the most effective products, and the manufacturing capability to produce them in a cost-effective manner. We can no longer afford the luxury of separate technology bases for civilian and military markets.

This legislation deals with planning, development and application of technologies and manufacturing skills critical to both our national security and our economic prosperity. It works to remove barriers between the military and commercial sectors of our economy and addresses the needs for better manufacturing engineering education.

The following provisions are included in this legislation:

This bill requires the President, in consultation with industry, to develop multiyear strategies for federally supported research and development of critical technologies. The Critical Technologies Instutute has been reestablished to assist the executive branch in technology analysis and planning.

There has been $100 million authorized for DARPA to develop critical dual—use technologies through cost-shared partnerships with industry.

There has been $50 million authorized to initiate a DOD program to support regional critical technology application centers.

There has been $25 million set aside from DOD's manufacturing technology program for new manufacturing technology partnerships with private sector consortia, and $5 million has been designated for international cooperative activities in manufacturing technology.

There is $50 million authorized to initiate a DOD program, in coordination with the Commerce Department, to support small manufacturers through existing State and local manufacturing extension programs.

In coordination with the National Science Foundation, $30 million is authorized to support DOD manufacturing engineering education programs.

I want to thank Mr. ASPIN and Mr. MAVROULES for their leadership in this conference and my colleagues in the Science, Space, and Technology Committee for their support. In addition I would like to thank Senator BINGAMAN and his colleagues, Senators NUNN, GORE, and HOLLINGS for developing this legislation.

As House conferees to this authorization act, the Committee on Science, Space, and Technology has worked diligently with the House and Senate Armed Services Committees to make sure these provisions focus appropriately on defense needs and establish the capabilities for strategic planning of critical technologies. I feel strongly that these provisions are a wise use of defense dollars, and I urge my colleagues to support this legislation.

Mr. ANDERSON. Mr. Speaker, I am generally gratified to see that this defense authorization report acknowledges both the changing world threat and the fiscal realities currently facing this country. Our Armed Forces are being scaled back, but this report places priorities on flexibility, rapid force projection, and continued reliance on technologies proven effective in the Persian Gulf war.

In their zeal to make cuts, however, the conferees have in a number of instances limited the flexibility of America's military response as well as needlessly overburdened our military production capabilities. The decision not to fund additional B–2 bombers for fiscal year 1992, both limits our nuclear and conventional force projection ability and threatens the jobs of thousands of workers all across the country. In addition, reductions in the C–17 jet transport program serve only to delay the availability and increase the cost of this much needed aircraft. I support the efforts of our conferees to make responsible cuts in defense spending, but underfunding critical programs like the B–2 and C–17 costs the American taxpayers far more in the long run.

Mr. Speaker, I will vote in favor of this conference report, but I do so with some reluctance.

Mr. CONYERS. Mr. Speaker, I rise in opposition to the conference report. As much as I respect the abilities of the members of the committee, I must say that there is nothing new about this defense budget. The world has changed, yet, here in Washington, it is business as usual.

I have four serious objections to this report.

The first is the absolute amount allocated for defense by this report—over $291 billion.

This bill spends $48 billion for nuclear weapons; $136 billion for the defense of Europe; and, $34 billion for the defense of Japan and Korea.

These enormous expenditures are unnecessary and undefensible at a time when the people of our own Nation are going without vital Government services due to budget cutbacks.

The only major weapons systems canceled in this budget are the ones the President canceled in his September 27 speech. In fact, the conferees, actually included $550 million for the mobile Midgetman missile that the President had killed.

The second objection is that this conference report does not settle the B–2 issue.

On the B–2, the conferees gave us a $4 billion punt.

The B–2 is not terminated. The B–2 production line is not closed. Instead we are pouring $4.2 billion more into this obsolete program. We will have to revisit the entire issue again next year.

There is little doubt that the Air Force will request funds for the B–2 in next year's budget. We will be back here same time, same place, next year going through this debate again.

My third objection, is the decision of this conference to repeat history and commit this Nation for the second time to the deployment of a ballistic missile defense system we do not need and cannot afford.

This is the ill-conceived Missile Defense Act passed in a rush by the Senate and accepted with minor changes by the House in this conference report.

It is a disaster. The only hearing held in the Congress on this proposal was held by the Government Operations Committee on October 16. None of the witnesses could present a credible threat that justified deploying an expensive new weapon system.

Exactly the opposite. The weight of expert opinion is overwhelmingly against a crash program to deploy strategic defenses.

Bruce Blair, the Nation's top expert on Soviet command and control, was asked if we needed a new system to defend against the accidental or unauthorized launch of Soviet ballistic missiles. He said:

> No one has advanced a plausible scenario that could result in such a launch * * *. All the evidence available to date supports the opposite conclusion: Soviet safeguards are strict enough to prevent the accidental firing of a single intercontinental ballistic missile, as well as the illicit firing of a group of land-based missiles or a boatload of submarine missiles. (Testimony, p. 1)

Well, what about the Third World missiles? Some say they are afraid we will wake up one morning and Libya will have a nuclear missile. Well, that's not going to happen. It's a phony threat. Steven Hildreth, from the Library of Congress, said:

> Short- and medium-range missile threats from third countries (non-Soviet) to the United States proper do not now exist.
>
> No new, additional ICBM threat from third countries to the United States is foreseen over the next ten years or so.
>
> The availability of time before many ballistic missile threats become real provides an opportunity to explore alternatives to counter ballistic missiles without the deployment of ballistic missile defenses * * *. The United States may pursue other military, political, economic, and arms control measures that could either counter the threats or slow their development. (Testimony, pp. 5, 9)

Dr. Peter Zimmerman, from the Center for Strategic and International Studies, agreed. He said:

I do not expect any new entries into the ICBM club in the next decade.

Few, if any, of the nations with potent shorter-range missiles and nuclear weapons programs are likely to make the enormous investment to procure intercontinental capabilities.

In my professional opinion, the danger posed to the United States by the kind of short-range ballistic missiles which will be developed in the next decade or so has been vastly exaggerated. (Testimony, pp. 4, 10)

The argument was summed up by John Pike, from the Federation of American Scientists. He said:

The prospects that an anti-missile shield might be needed in this century are so remote that there is no reason, other than political expediency, for proceeding soon with deployment of such a system.

My fourth serious objection is to an important change made by this report to the Federal Acquisition Regulatory [FAR] Council.

Over the objections of the Government Operations Committee, which passed the legislation establishing the FAR Council, this report promotes the Director of Defense Procurement to be the representative of the Department of Defense on the Council. While this may be good for that individual it is a disaster for the Council.

From its genesis, the FAR Council has specifically included a high-level, politically accountable DOD representative. This provision sets a dangerous precedent by effectively elevating a career DOD official to the rank of Assistant Secretary of Defense. If the Director of Defense Procurement is going to be considered to be an Assistant Secretary for any purpose, she should be appointed by the President with the advice and consent of the Senate. I regret the conference action in this matter.

For these reasons, I must oppose this conference report. There are many provisions I agree with in the bill. For example, the conference supports the House position to fix the B–1 bomber, based on hearings of the Government Operations Committee in this matter.

But we can do better than this report allows. We can safely cut defense. We can make the hard choices and terminate weapons we no longer need. I refer my colleagues to the hearings and investigations conducted by the Government Operations Committee this year that have detailed wasteful spending and even fraud in the SDI Program, the Seawolf Submarine Program, the A–12 Program, and just last week, in the C–17 Program.

I refer them also to the testimony before the committee of Dr. John Steinbruner and former Assistant Secretary of Defense Larry Korb who said that we could safely cut defense spending and must make such cuts if we are to direct our resources to needed domestic investment.

We can do better. We wouldn't manage our own budgets like this and we shouldn't let the President manage the Nation's budget this way either. I urge my colleagues to vote down this conference report.

Mr. FRANKS of Connecticut. Mr. Speaker, I rise in support of H.R. 2100.

As a member of the Armed Services Committee, I am particularly proud to vote for this important piece of legislation.

This legislation will result in the reasonable expenditure of tax dollars on the national defense as we face the new realities of a post-cold-war global community.

Mr. Speaker, when this bill first came before the House, I voted against it. I did so because the bill did not go far enough to ensure the long-term security needs of our Nation.

Yes, it contained $2.2 billion for the new generation attack submarine Seawolf. Yes, it contained funds for new generations of weapons systems designed to respond in a flexible manner to the new forms of aggression, often started by tyrants such as Saddam Hussein.

However, the original bill did not meet other threats to our Nation, threats which can come from nations who are slowly but steadily harnessing the awesome power of the atom.

As we are now discovering in postwar Iraq the ability to manufacture and deliver nuclear weapons is no longer limited to the superpowers.

It is also clear the political dust over the Soviet Union has not settled. There is still a possibility, no matter how remote, that a renegade republic could do the unthinkable to a rival within the Soviet Empire or a NATO nation.

That is why I believed more funding was needed for the strategic defense initiative [SDI]. This bill will authorize $4.15 billion in SDI funding—$1.25 billion more than last year and $650 million more than the original House bill.

This conference report will also authorize $390 million for the Brilliant Pebbles Program and $465 for space-based interceptors.

This report also maintains our strength at home through the Reserve and National Guard ranks.

Desert Shield and Desert Storm would not have been successful without the men and women who have spent weeks, months, and years training for the day their country called.

However, it is clear some hard decisions need to be made over the next decade on the issue of the National Guard and Military Reserves.

Today, the House has a chance to embark on a new era of defense of our Nation—one that is still vigilant, but flexible in responding to the very serious challenges which lie ahead.

Mr. WEISS. Mr. Speaker, I rise in opposition to the conference report on H.R. 2100, the Defense authorization bill for 1992. While I supported final passage of H.R. 2100, I will not vote today for this conference report.

We have seen our military adversary of the past 45 years virtually disintegrate before our eyes. And when our country is mired in recession; and our international competitiveness increasingly called into question; with a crumbling infrastructure; and more than 37 million Americans living without health care coverage, we simply can not afford to spend the money on defense that we seem ready to.

Despite reductions in some weapon systems, our military spending remains excessive. Although it continues the reductions mapped out in last year's budget agreement, these reductions fail to adequately reflect the incredible changes that have occurred, and which continue to radically reshape the world in which we live. In real dollars, the 1992 defense budget represents an increase of $2.5 billion over 1991 military spending. We have eliminated future production of B–2 bombers, but we are spending more than $3 billion to keep the production line open and fund further research and development.

This, unfortunately, is not the only wasteful program in this agreement. Nearly $1 billion is spent on the V–22 Osprey, despite no such request for funds from either the administration or the Pentagon; $560 million is to be used to procure four new F–117 Stealth fighters, despite a closed production line, and again, no administration request for such funding. The measure also authorizes more than $1 billion for the unsafe and unnecessary D–5 missile program.

Further, this agreement provides full funding to the Midgetman missile program despite the President's September arms control initiatives. In the President's address, among the things he called for was the elimination of the mobile programs of both the MX and the Midgetman missiles. We have done so for the MX, but we have provided full funding, $549 million, for the Midgetman; this sum includes the $115 million for research on the mobile portion of this program. It is this kind of wasteful spending that indicates our inability to recognize the new international realities that surround us.

This measure also offers, for the first time in 3 years, an increase in funding for SDI, more than $1 billion than in 1991. The $4.15 billion authorized represents an increase of $635 million over the house position, including $390 million for Brilliant Pebbles, despite the elimination of this program in the original House bill. The conferees further called for the deployment of an ABM system by no later than 1996. Coupled with this, the President is urged to renegotiate the 1972 ABM Treaty with the Soviets. I do not believe this is wise. Instead of continuing to reduce spending on SDI, this agreement calls for the development of systems that may cost many billions of dollars before they can ever be deployed, and when deployed, may violate the ABM Treaty. At a time when the possibility to negotiate away a significant number of nuclear arms exists, it makes no sense to undermine one of the few treaties that has been successful in limiting the spread of dangerous and destabilizing weapons.

Mr. Speaker, while this agreement does continue the gradual downward trend in military spending, it does not go far enough in representing the nature of the military threats facing our Nation. In light of the changes that have occurred, and continue to occur in the international arena, and the pressing needs that exist here in America, I firmly believe that we must further cut our excessive military spending. This conference report fails to adequately deal with new international, and domestic, realities. I will, therefore, vote against this conference report.

Mr. ROSTENKOWSKI. Mr. Speaker, I rise in support of the conference report on H.R. 2100, the Department of Defense Authorization Act for fiscal years 1992 and 1993, and would like to take this opportunity to comment on several provisions that are within the jurisdiction of the Committee on Ways and Means. Sections 661 through 664 of the legislation provide retirement benefits to members of the Armed Forces for voluntary retirement from the military if such members have completed at least 6 but less than 20 years of service.

Mr. Speaker, on September 25, 1991, the Committee on Ways and Means met at the request of Secretary of Defense Cheney to consider issues related to the tax treatment of voluntary separation incentives, and agreed to a clarification of the income tax consequences to recipients with respect to the Armed Forces voluntary retirement plan. Sections 661 through 664 of this legislation are consistent with the action taken by the committee and with the current tax rules applicable to pension plans. They are included in this bill with the express approval of the Committee on Ways and Means.

I thank Secretary Cheney and Congressman LES ASPIN of the Armed Services Committee for their cooperation on this matter, and am pleased that these provisions have been included in the conference report.

Mrs. BYRON. Mr. Speaker, I would like also to address a provision in the pending authorization bill that deals with the CHAMPUS reform initiative contract for medical services in California and Hawaii. Section 722 of the bill is intended to ensure that any extension, renewal or award of this important contract is competitively bid to determine who the contractor will be when the current contract terminates by its own terms in February 1993. Competitive bidding is almost always preferable to sole source contracting because it is likely to produce significant reductions in cost. That concern is especially important here because the whole purpose of the CHAMPUS reform initiative is to explore an alternative method of delivering high quality medical care to the families of our service men and women while reining in the exploding cost of delivering that care. In this instance competitive bidding may well produce, in addition, a delivery network that would attract more than the current 20 percent of eligible recipients—thus producing even greater savings. It was for these reasons that the conferees chose to adopt the Senate language on this issue.

Mr. Speaker, the sponsors of the bill are aware that a provision in the Department of Defense appropriations conference report seeks a directly contrary result. That provision directs the Secretary of Defense to extend the current contract so that it does not terminate in February 1993, while this provision instructs the Secretary to provide for competitive bidding and all other normal procurement procedures to determine what vendor should provide services under the contract after February 1, 1993. The two provisions were not intended to be harmonized; they give directly conflicting instructions to the Department as to what is to happen to the contract upon its termination in 1993. It is my strong belief that the alternative provided by this bill is the proper course for the Department to take.

Mr. ASPIN. Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I move the previous question on the conference report.

The previous question was ordered.

MOTION TO RECOMMIT OFFERED BY MR. DORNAN OF CALIFORNIA

Mr. DORNAN of California. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the conference report?

Mr. DORNAN of California. In its present form I am, Mr. Speaker.

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

The Clerk read as follows:

Mr. DORNAN of California moves to recommit the conference report on the bill, H.R. 2100, to the committee of conference.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

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.

Mr. ASPIN. Mr. Speaker, I object to the vote on the ground that a quroum 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 329, nays 82, not voting 23, as follows:

[Roll No. 400]

YEAS—329

Abercrombie
Allard
Allen
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Archer
Armey
Aspin
Atkins
Bacchus
Ballenger
Barnard
Barrett
Barton
Bateman
Bennett
Bentley
Bereuter
Berman
Bevill
Bilbray
Blackwell
Bliley
Boehlert
Boehner
Bonior
Borski
Boucher
Brewster
Brooks
Broomfield
Browder
Brown
Bruce
Bryant
Bunning
Bustamante
Byron
Callahan
Camp
Campbell (CO)
Cardin
Carper
Carr
Chandler
Chapman
Clement
Clinger
Coleman (MO)
Coleman (TX)
Condit
Cooper
Costello
Coughlin
Cox (IL)
Coyne
Cramer
Darden
Davis
de la Garza
DeLauro
DeLay
Derrick
Dickinson
Dicks
Dingell
Donnelly
Dooley
Doolittle
Dorgan (ND)
Downey
Dreier
Durbin
Dwyer
Dymally
Early
Eckart
Edwards (OK)
Edwards (TX)
Emerson
Engel
English
Erdreich
Espy
Evans
Ewing
Fascell
Fazio
Feighan
Fields
Fish
Foglietta
Frank (MA)
Franks (CT)
Frost
Gallegly
Gallo
Gaydos
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Goss
Gradison
Grandy
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Harris
Hastert
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hoagland
Hobson
Hochbrueckner
Holloway
Hopkins
Horn
Houghton
Hoyer
Hubbard
Huckaby
Hutto
Hyde
Inhofe
Ireland
Jacobs
James
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Kopetski
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
LaRocco
Laughlin
Lehman (CA)
Lehman (FL)
Levin (MI)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowery (CA)
Lowey (NY)
Machtley
Manton
Markey
Marlenee
Martin
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McDade
McEwen
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Michel
Miller (OH)
Miller (WA)
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Moran
Morrison
Murphy
Murtha
Myers
Nagle
Natcher
Neal (MA)
Nichols
Nowak
Oakar
Olin
Olver
Ortiz
Oxley
Pallone
Panetta
Parker
Pastor
Patterson
Paxon
Payne (VA)
Penny
Perkins
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Porter
Poshard
Price
Rahall
Ramstad
Ravenel
Ray
Reed
Regula
Rhodes
Richardson
Ridge
Rinaldo
Roberts
Roe
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Rostenkowski
Roukema
Rowland
Sabo
Sangmeister
Santorum
Sarpalius
Sawyer
Saxton
Schaefer
Schiff
Schulze
Schumer
Sharp
Shaw
Sisisky
Skeen
Skelton
Slattery
Slaughter
Smith (IA)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solarz
Solomon
Spence
Spratt
Staggers
Stallings
Stark
Stearns
Stenholm
Sundquist
Swett
Swift
Synar
Tallon
Tanner
Tauzin
Taylor (MS)
Thomas (GA)
Thomas (WY)
Thornton
Torres
Torricelli
Traxler
Upton
Valentine
Vander Jagt
Visclosky
Volkmer
Vucanovich
Walsh
Waxman
Weldon
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wyden
Wylie
Yatron
Young (AK)
Young (FL)

NAYS—82

Alexander
Beilenson
Boxer
Burton
Clay
Coble
Collins (IL)
Collins (MI)
Combest
Conyers
Cox (CA)
Crane
Cunningham
Dannemeyer
DeFazio
Dellums
Dornan (CA)
Duncan
Edwards (CA)
Fawell
Flake
Ford (MI)
Green
Guarini
Hansen
Hayes (IL)
Hughes
Hunter
Johnson (TX)
Kostmayer
Leach
Lent
McDermott
McGrath
Mfume
Miller (CA)
Moody
Moorhead
Morella
Nussle
Oberstar
Obey
Orton
Owens (UT)
Packard
Payne (NJ)
Pelosi
Petri
Pursell
Rangel
Riggs
Roth
Roybal
Russo
Sanders
Savage
Scheuer
Schroeder
Sensenbrenner
Serrano
Shays
Shuster
Sikorski
Skaggs
Smith (FL)
Stokes
Studds
Stump
Taylor (NC)
Thomas (CA)
Traficant
Unsoeld
Vento
Walker
Washington
Waters
Weber
Weiss
Wheat
Yates
Zeliff
Zimmer

NOT VOTING—23

Ackerman
AuCoin
Baker
Bilirakis
Campbell (CA)
Dixon
Ford (TN)
Hancock
Hatcher

Horton
Kennedy
Klug
Levine (CA)
Lewis (CA)
Luken
McCurdy
Mrazek
Neal (NC)
Owens (NY)
Pease
Quillen
Ritter
Towns

□ 1749

Messrs. PETRI, McDERMOTT, LENT, FORD of Michigan, RUSSO, GUARINI, CUNNINGHAM, OWENS of Utah, OBERSTAR, BURTON of Indiana, MOORHEAD, SKAGGS, and Ms. PELOSI changed their vote from "yea" to "nay."

Mrs. ROUKEMA changed her 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.

GENERAL LEAVE

Mr. ASPIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report to the bill, H.R. 2100.

The SPEAKER pro tempore (Mr. SYNAR). Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

PERSONAL EXPLANATION

Mr. KLUG. Mr. Speaker, I regret that I was unable to be present when the House considered the conference report on H.R. 2100, the Fiscal Year 1992 Defense Authorization Act. If I had been present I would have voted for passage of the conference report.

□ 1750

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3595, MEDICAID MORATORIUM AMENDMENTS OF 1991

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 102-323) on the resolution (H. Res. 283) providing for the consideration of the bill (H.R. 3595) to delay until September 30, 1992, the issuance of any regulations by the Secretary of Health and Human Services changing the treatment of voluntary contributions and provider-specific taxes by States as a source of a State's expenditures for which Federal financial participation is available under the medicaid program and to maintain the treatment of intergovernmental transfers as such a source, which was referred to the House Calendar and ordered to be printed.

NOTICE OF DEADLINE FOR OFFERING AMENDMENTS TO H.R. 3644, THE PRESIDENTIAL ELECTION CAMPAIGN FUND PRIMARY FAIRNESS ACT

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

Mr. MOAKLEY. Mr. Speaker, the Rules Committee plans to consider H.R. 3644, the Presidential Election Campaign Fund Primary Fairness Act on Wednesday, November 20.

The committee is considering a rule which may structure the offering of amendments, and permit only those amendments designated in the rule to be offered.

In order to ensure Members' rights to offer amendments under this structure, they should submit 55 copies of their amendment, together with a brief explanation of the amendment, to the committee office located in H-312 of the Capitol no later than 5 p.m. on Tuesday, November 19.

These amendments should be drafted to the House Administration Committee reported bill, which is available in the House Administration Office at H-326 of the Capitol.

I have sent a Dear Colleague letter to all Member and committee offices, which explains this procedure further. We appreciate the cooperation of all Members in our effort to be fair and orderly in granting a rule.

RECLAMATION PROJECTS AUTHORIZATION AND ADJUSTMENT ACT OF 1991

The SPEAKER pro tempore (Mr. SYNAR). The pending business is the question of suspending the rules and agreeing to the resolution, House Resolution 282.

The Clerk read the title and the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. MILLER] that the House suspend the rules and agree to the resolution, House Resolution 282, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 245, nays 164, answered "present" 1, not voting 24, as follows:

[Roll No. 401]

YEAS—245

Abercrombie
Alexander
Anderson
Andrews (ME)
Andrews (TX)
Annunzio
Anthony
Archer
Armey
Aspin
Atkins
Barton
Beilenson
Bennett
Berman
Bevill
Blackwell
Boehlert
Bonior
Borski
Boxer
Brooks
Broomfield
Browder
Brown
Bruce
Bryant
Bustamante
Byron
Campbell (CO)
Cardin
Carper
Clay
Clinger
Collins (IL)
Collins (MI)
Combest
Conyers
Cooper
Costello
Cox (IL)
Coyne
Crane
Darden
de la Garza
DeFazio
DeLauro
DeLay
Dellums
Derrick
Donnelly
Dorgan (ND)
Downey
Durbin
Dwyer
Dymally
Early
Eckart
Edwards (CA)
Engel
Erdreich
Evans
Fascell
Fawell
Feighan
Fields
Foglietta
Ford (MI)
Frank (MA)
Frost
Gallo
Gaydos
Gejdenson
Gephardt
Gibbons
Gilchrest
Gilman
Glickman
Gonzalez
Goodling
Gordon
Goss
Green
Guarini
Hall (OH)
Hamilton
Hansen
Harris
Hayes (IL)
Hefner
Hertel
Hoagland
Hobson
Hochbrueckner
Horn
Hughes
Hutto
Ireland
Jacobs
James
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (GA)
Jontz
Kanjorski
Kaptur
Kennelly
Kildee
Kleczka
Kolbe
Kostmayer
Kyl
LaFalce
Lantos
LaRocco
Leach
Lehman (FL)
Lent
Levin (MI)
Lewis (GA)
Lipinski
Long
Lowey (NY)
Machtley
Manton
Markey
Mazzoli
McCloskey
McDermott
McEwen
McGrath
McHugh
McMillen (MD)
McNulty
Meyers
Mfume
Miller (CA)
Miller (WA)
Mineta
Mink
Moakley
Mollohan
Morella
Murphy
Murtha
Nagle
Natcher
Neal (MA)
Nowak
Oakar
Oberstar
Obey
Olver
Orton
Owens (UT)
Pallone
Panetta
Pastor
Patterson
Payne (NJ)
Pelosi
Petri
Pickle
Porter
Poshard
Price
Rahall
Ramstad
Rangel
Ravenel
Ray
Reed
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Roe
Roemer
Ros-Lehtinen
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal
Russo
Sabo
Sanders
Sangmeister
Sarpalius
Savage
Sawyer
Saxton
Scheuer
Schiff
Schroeder
Sensenbrenner
Serrano
Sharp
Shays
Sikorski
Sisisky
Skaggs
Skeen
Slaughter
Smith (FL)
Smith (IA)
Smith (NJ)
Snowe
Solarz
Solomon
Spratt
Stallings
Stark
Stokes
Studds
Synar
Tallon
Thomas (GA)
Thomas (WY)
Thornton
Torres
Torricelli
Traxler
Unsoeld
Upton
Vento
Visclosky
Walsh
Waters
Waxman
Weiss
Weldon
Wheat
Whitten
Wilson
Wolf
Wolpe
Wyden
Yates
Yatron
Zimmer

NAYS—164

Allard
Allen
Andrews (NJ)
Applegate
Bacchus
Ballenger
Barnard
Barrett
Bateman
Bentley
Bereuter
Bilbray
Bliley
Boehner
Boucher
Brewster
Bunning
Burton
Callahan
Camp
Carr
Chandler
Chapman
Clement
Coble
Coleman (MO)
Coleman (TX)
Condit
Coughlin
Cox (CA)
Cramer
Cunningham
Dannemeyer
Davis
Dickinson
Dicks
Dingell
Dooley
Doolittle
Dornan (CA)
Dreier
Duncan
Edwards (OK)
Edwards (TX)
Emerson
English
Espy
Ewing
Fazio
Fish
Flake
Franks (CT)
Gallegly
Gekas
Geren
Gillmor
Gingrich
Gradison
Grandy
Gunderson
Hall (TX)
Hammerschmidt
Hastert
Hayes (LA)
Hefley
Henry
Herger
Holloway
Hopkins
Houghton
Hoyer
Hubbard
Huckaby
Hunter
Hyde
Inhofe
Jefferson
Johnson (TX)
Jones (NC)
Kasich
Kolter
Kopetski
Lagomarsino
Lancaster
Laughlin
Lehman (CA)
Lewis (FL)
Lightfoot
Livingston
Lloyd
Lowery (CA)
Marlenee
Martin
Martinez
Matsui
Mavroules
McCandless
McCollum
McCrery
McDade
McMillan (NC)
Michel

Miller (OH)	Pursell	Swift
Molinari	Regula	Tanner
Montgomery	Roberts	Tauzin
Moorhead	Rogers	Taylor (MS)
Moran	Rohrabacher	Taylor (NC)
Morrison	Santorum	Thomas (CA)
Myers	Schaefer	Traficant
Nichols	Schulze	Valentine
Nussle	Shaw	Vander Jagt
Olin	Shuster	Volkmer
Ortiz	Skelton	Vucanovich
Oxley	Slattery	Walker
Packard	Smith (OR)	Washington
Parker	Smith (TX)	Weber
Paxon	Spence	Williams
Payne (VA)	Staggers	Wise
Penny	Stearns	Wylie
Perkins	Stenholm	Young (AK)
Peterson (FL)	Stump	Young (FL)
Peterson (MN)	Sundquist	Zeliff
Pickett	Swett	

ANSWERED "PRESENT"—1

Riggs

NOT VOTING—24

Ackerman	Hatcher	Moody
AuCoin	Horton	Mrazek
Baker	Kennedy	Neal (NC)
Bilirakis	Klug	Owens (NY)
Campbell (CA)	Levine (CA)	Pease
Dixon	Lewis (CA)	Quillen
Ford (TN)	Luken	Schumer
Hancock	McCurdy	Towns

□ 1810

Messrs. LENT, BONIOR, DELAY, and FIELDS changed their vote from "nay" to "yea."

So (two-thirds not having voted in favor thereof) the motion was rejected.

The result of the vote was announced as above recorded.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 2521, DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1992

Mr. MURTHA. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight, November 18, 1991, to file a conference report on the bill (H.R. 2521) making appropriations for the Department of Defense for the fiscal year ending September 30, 1992, and for other purposes.

The SPEAKER pro tempore (Mr. CARR). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

ADDITION OF NAME OF MEMBER AS COSPONSOR OF H.R. 829

Mr. ALLEN. Mr. Speaker, I ask unanimous consent that I be permitted to add my name as cosponsor of H.R. 829, originally introduced by my predecessor, the Honorable D. French Slaughter, Jr., and that I be permitted to sign and submit lists of additional cosponsors.

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

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1218

Mr. BEREUTER. Mr. Speaker, I ask unanimous consent that my name be withdrawn as a cosponsor of H.R. 1218.

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

There was no objection.

HELPING THE ECONOMY WITH PUBLIC INVESTMENT

(Mr. MAZZOLI asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and to include extraneous material.)

Mr. MAZZOLI. Mr. Speaker, in the November 18 issue of Business Week, there was a very interesting article by Robert Kuttner, who is an economist, dealing with how to get America out of this recession. Mr. Kuttner discusses the many things which are constantly discussed: lower interest rates, and he says that, indeed, lower interest rates could stimulate consumer spending, but they reduce income that people earn on investment, and that is not always the best thing for the economy.

He talks about capital gains reductions and discusses how difficult they are to target in the proper way, and that they do cause churning of assets, and he suggests there may already be too much churning.

Then he talks about middle-income tax relief, also a good thing, but it takes years for the full implementation of that to occur and years for the full effect to be felt.

Then he talks about something which we can do very quickly, before Thanksgiving, and that is public investment. He suggests that, when you invest in the public sector, you get a hundred percent return quickly. You invest public money, but the private sector, the contractors, benefit from it.

We have in the conference between the House and the Senate, the transportation and infrastructure bill, which would spend eventually $150 billion, and put millions of Americans back to work.

Mr. Speaker, along with all these other ways to correct this recession, I think we need to add public investment to the mix.

BUSH CAN NO LONGER SHY AWAY FROM PUBLIC INVESTMENT

The President's men are beginning to worry that there may be no easy path out of this recession. Last month in this space, I explained why an investment-led recovery is the best way to jump-start the economy. Let me now describe why it is probably the only way. Consider the alternatives:

Monetary easing. With fiscal stimulus ruled out by huge deficits, the Federal Reserve is trying to revive the economy with cheap money. But here, the problem is anxious banks and a shortage of creditworthy borrowers. The culprit is the fallout from the financial excesses of the 1980s, compounded by the Administration's own behavior. The Federal Deposit Insurance Corp. and Resolution Trust Corp. are now the nation's biggest holders of commercial real estate. The Bush Administration detests the idea of the government owning commercial property and, along with the rest of America, is focused on short-term balance sheets. Thus, in a soft real estate market, the government keeps dumping properties to raise cash. This depresses the rents that can be charged by viable, privately owned properties and pulls them into default, too—further increasing banks losses. Hence, the bank/real estate collapse keeps feeding on itself, with an assist from the Administration's fire sale.

In this climate, cheaper money does only so much. Very low interest rates stimulate consumer spending, but the erosion of asset values and purchasing power may have reached a point where cheap money by itself is powerless to ignite a general recovery. The stimulative effect of low interest rates is also offset by the fact that America's "creditors" include tens of millions of retired people whose savings are in bank CDs, money-market funds, and Treasury securities. Every cut in interest rates reduces their purchasing power.

Capital-gains relief. In the late 1970s, those arguing for capital-gains tax cuts made three claims. First, higher aftertax returns on capital would induce more savings and investment. Second, capital-gains breaks would stimulate more sales of appreciated stock and hence would boost tax revenues. And third, by lowering capital costs, capital-gains breaks would make U.S. industry more competitive.

The effect of the tax cuts of 1978 and 1981 disproves each claim. Capital income got tax favoritism, but savings rates fell. Investment rates were maintained (barely) by foreign borrowing. Despite the supposed "unlocking" effect, there was a onetime sell-off of appreciated stock, but higher revenues only partly offset lower rates. If anything, the real economy today suffers from too much financial trading, not too little. And the market is dominated by pension funds and life-insurance companies whose capital gains are not taxable at all. As for competitiveness, lower capital costs are indeed desirable over the long term. However, industry mainly invests when it smells customers, who are not in evidence today. Low interest rates also reduce capital costs; but in this recession, lower interest rates have had little impact on investment. President Bush was right when he called the idea voodoo economics the first time around.

Middle-class tax relief. Although more attractive politically, the Democratic program of tax cuts for the middle class is also unconvincing as a recovery strategy. Why? Because the proposed cuts are deficit-neutral, Senator Lloyd Bentsen's (D-Tex.) proposal to shift some defense spending to tax relief might contract the domestic economy, because consumers have a higher appetite for imports than the Pentagon does. The Gore-Downey alternative—taxing the rich to relieve the middle class—is better, since the middle class spends more of its income than the rich. Still, a deficit-neutral tax cut is mildly stimulative at best unless it involves massive public outlays.

That leaves public investment. The virtue of public investment is that 100¢ on the dollar actually get invested, unlike a tax break. Although nominally public, most such investment quickly winds up back in the private sector, for the contractors are invariably private businesses. Public investment connotes old-fashioned public works. But it can also mean technology-stimulating projects such as high-speed rail and optical-fiber networks.

Public investment feeds private payrolls. Some public investment may be wasteful—

but not half as wasteful as the hundreds of billions of dollars in useless office buildings brought to you by the genius of the private market. A program of public investment could even justify increased borrowing via a capital budget, since the borrowing would be dedicated to investment rather than to consumption.

Can a public-investment cure do the job quickly enough? In 1941, when the nation mobilized for war, unemployment melted from 11.8% to 2% in just six months. What prevents the Administration from embracing this cure? The same thing that feeds the self-defeating fire sale of commercial real estate—ideology. Yet when it proved politically expedient, President Bush swallowed his principles on both the civil rights bill and on the extension of unemployment compensation. It remains to be seen whether Bush will be sufficiently desperate or sufficiently opportunistic to embrace that old Keynesian devil, public works.

THE OCTOBER SURPRISE

(Mr. McEWEN asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and to include extraneous material.)

Mr. McEWEN. Mr. Speaker, it is not on the schedule this week, but I would say to my colleagues, rest assured that sometime when we are working hard late one evening dealing with the banking bill or the conference report on public works on some other legislation, after the newspapers have focused on some real dramatic action that day, then there is going to be a request to bring up the October surprise.

No one knows about it yet, no announcement yet, but rest assured it is going to happen. This is the ultimate political shenanigans that this House has ever engaged in.

Mr. Speaker, the New Republic reporter, Stephen Emerson, the investigator for Frank Church, has called this: "All of the sources that were used by the journalists thus far are absolute and proven fabricators," probably one of the largest hoaxes and fabrications in modern American journalism.

When the GAO testified before the Committee on Rules as to what these characters were charging about the October surprise, that somehow or another Ronald Reagan went to Madrid and made a deal with the Iranians, or some such thing, I asked him, I said, "Is there anything in these charges that made sense, anything that you could corroborate, like the day or the time or the place or the people, anything at all, anything at all," the response was they could find absolutely nothing that coordinated with anything that these folks had said.

Yet the Congress of the United States is going to be asked to provide millions of dollars to investigate these crazy charges.

I suggest we do at least four things: First of all, we should combine with the Senate; second, we should put a limit, just as the Senate did; third, we should investigate the arms-for-hostages deals that were being offered at the time by the Carter administration; and fourth, we should put a limit on how much money should be spent.

I will include a letter from the Congressional Budget Office saying it is going to cost millions of dollars.

Mr. Speaker, this is unbecoming of the House, it is unbecoming of the leadership around here, it is a disservice to America, and we really should not be associated with it.

The text of the letter is as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, November 8, 1991.

Hon. JOHN JOSEPH MOAKLEY,
Chairman, Committee on Rules, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed H. Res. 258, a resolution creating a task force of members of the Foreign Affairs Committee to investigate certain allegations concerning the holding of Americans as hostages by Iran in 1980, as ordered reported by the House Committee on Rules on November 7, 1991. We estimate that implementation of this resolution would cost between $1.2 million and $2.5 million, which would be paid from appropriated accounts over fiscal years 1992 and 1993. Of this amount, $750,000 to $1.5 million would be the cost of staff currently working elsewhere in the Federal Government that would be detailed to the task force. The remaining $500,000 to $1 million would be spent by the task force and would come from the funds that would otherwise be available for other House committee expenses. This resolution does not affect direct spending or receipts. Therefore, pay-as-you-go procedures would not apply to the bill.

H. Res. 258 would create a task force to investigate the timing of the release of American hostages in Iran in 1980. The task force would be authorized to hold hearings, take depositions, conduct interviews, and request assistance of any Federal Agency. The chairman could hire the necessary staff to conduct the task force's operations. Finally, the resolution would authorize the expenses of the task force, including the procurement of services for consultants and training of staff, to be paid from the contingent fund of the House. The task force would have to provide an interim report by July 1, 1992, and would expire at the end of the 102d Congress.

Because the nature and extent of the task force's work is still uncertain at this time, it is difficult to estimate its costs with any precision. One way to gauge the potential magnitude of the cost is to examine a recent temporary congressional investigation with similar responsibilities—the House Select Committee to Investigate Covert Arms Transactions with Iran—which operated in 1987 and 1988. Information from the select committee's report and from the Clerk of the House shows that the select committee had about 80 employees and spent a total of $2.2 million over its life.

However, about half of the committee's staff consisted of personnel detailed from other committees members' personal staffs, or Federal Agencies. The committee did not record costs for those employees because they continued to receive salaries from their original employers and either stopped working temporarily at their original agency or had to work more hours to provide services to the committee.

Based on information from the Committee on Foreign Affairs, which would set up the task force, it appears that the task force is unlikely to cost more than the House Iran/Contra investigation. Preliminary indications are that the task force would require less staff—probably 10 to 20 detailed from other assignments, and perhaps 10 new employees requiring salaries that are not already being paid. If the task force produces information necessitating intensive investigations, personnel costs could increase. The magnitude of the cost would depend largely on whether the task force hires outside counsel, and whether such counsel receives a salary from the House or is paid by the hour. The task force's use of consultants also could increase costs. CBO estimates that the task force would spend between $500,000 and $1 million, mostly in fiscal year 1992. Some costs would be incurred in 1993 for finishing up the task force's work. In addition, the 10 to 20 employees detailed to the task force would represent another $750,000 to $1.5 million of resources applied to the task force's work rather than the work of the employing agency.

The task force would have to request its funds from the Committee on House Administration, which would allocate funds from amounts already appropriated for committee expenses of the House in 1992. The salaries of personnel detailed to the task force from other House offices and Federal Agencies would be paid from amounts already appropriated for 1992. In both cases, the expenses of the task force would represent a reallocation of funds that otherwise would have been spent on other activities in 1992 unless a supplemental appropriations is provided.

Enactment of this resolution would not affect the budgets of State of local government.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is James Hearn, who can be reached at 226-2860.

Sincerely,

ROBERT F. HALE
(for Robert D. Reischauer, Director).

THANKSGIVING MESSAGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. KOLTER] is recognized for 5 minutes.

Mr. KOLTER. Mr. Speaker, as we approach the Thanksgiving holiday, I would like to share with my colleagues a very heartwarming story. Earlier this year I was fortunate enough to work on a project with a remarkable individual by the name of Larry Jones. Larry is the head of an international ministry based in Oklahoma called Feed the Children. By my invitation, Larry and his staff brought in to Beaver County, PA, two semitractor trailer trucks containing 80,000 pounds of food for my congressional district. This food was distributed to 18 local food banks serving 22,000 households. Although this food was much needed and well appreciated by the needy families in western Pennsylvania, it only made a dent in the hunger problem that we, as well as many other areas of the Nation, are facing.

Nevertheless, as we worked on this project, it made me realize that there

are many—too many—individuals who go to bed hungry every night in America. Knowing that Thanksgiving was fast approaching, I thought to myself "what could we do to give these hungry families something to be thankful for this year?" I spoke of this problem with some friends of mine: Joe Spanik of the United Way of Beaver County, Major Robert Pfeiffer of the Beaver County Salvation Army and Mark McCanna of the American Agriculture Movement. You see, western Pennsylvania has a rich and strong tradition of high school football and, when it comes to supporting the home team, you couldn't ask for any better fans than those in my district. So we figured let's tie together the love Beaver Countians have for their high school football and the compassion they have for those who are less fortunate.

For two weekends in October, we held a food drive to Feed the Children for Thanksgiving by asking fans to bring at least two nonperishable food items with them to specific high school football games. Barrels, which were donated by Greif Brothers in Darlington, PA, and Taylor Milk Co. in Ambridge, were placed at various stadiums for people to drop off their contributions. The barrels were distributed and later picked up by members of the Pennsylvania National Guard Company B—28th Signal Battalion in Chippewa township, Beaver County, PA.

Cash contributions were also collected at the games, and this money is being matched two fold by members of the very generous Ondrusek family who are the owners of seven local Foodland supermarkets. This money is being used to purchase turkeys for the needy, and all of the food will be distributed to nearly 600 families by the Salvation Army. So, as you can see, this project has been a real team effort and has drawn together the efforts of thousands of compassionate people.

However, the folks who really deserve a big thank you are the students, parents, teachers, administrators, and fans who truly made this food drive a success. I therefore ask my colleagues in the U.S. Congress to join me in recognizing and commending the following school districts for their caring efforts: Aliquippa, Ambridge, Beaver Falls, Ellwood City, Hopewell, my alma mater New Brighton, Quigley, Riverside, Rochester, Southside, and Western Beaver. I salute the folks from these fine school districts for helping to address the hunger problem so that Thanksgiving can be a blessed time when everyone can be thankful.

□ 1820

SAFE SEX VERSUS NO SEX

The SPEAKER pro tempore (Mr. CARR). Under a previous order of the House, the gentleman from California [Mr. DORNAN] is recognized for 5 minutes.

Mr. DORNAN of California. Mr. Speaker, since the misfortune of one of our great sports heroes, Earvin Magic Johnson, finding out that he was carrying the HIV virus and actually having to quit as an athlete because it was already bringing about exhaustion, we have heard more about so-called safe sex than we have heard in all of the intervening decade since the manifestation first hit us of this worldwide pandemic.

I came across a column over the weekend in the Washington Post by Coleman McCarthy, and I would like to read some of it for the edification not only of my colleagues, Mr. Speaker, but for the Nation.

I might add, as a footnote, that my colleague, the gentleman from Indiana [Mr. BURTON], is going to do a special order of some length, probably the first one up after me, I think, unless there are any more 5-minute special orders. And he has been fighting for 10 years to try and get the truth out on this matter and others related to it. He will probably end up saving lives if people will pay close attention to what the gentleman from Indiana [Mr. BURTON] says.

Coleman McCarthy's article in the Saturday Washington Post was titled "Sex Should Be More Than 'Safe'." Please pay attention to his words.

Before the country loses its heads and turns Magic Johnson into a cult hero, it might think again about what he wants us to buy into. His new mission, announced when retiring from the Los Angeles Lakers because he contracted the virus that leads to AIDS, is to get young people to understand what the suddenly wise Magic knows: "Safe sex is the way to go."

Fine, as far as it goes, which isn't far at all. But what about telling kids less sex or no sex, or sex that is something more than teenage rutting, or sex that understands consequences, or sex based on love that's been tested?

The hero-god's nonthreatening message—use your condoms, kids—has been well received. Several 15-year-old boys at a D.C. recreation center told The Post that their lives would henceforth be marked with caution. "I'd never have sex without a condom." "You can never be too careful," said another, a boy who had a canister of condoms with him. In case a 12- or 13-year-old girl walked by and he talked her into a quickie, it would be a safe and magic moment.

The ex-basketball player is the latest public figure to opt for wornout slogans by talking to kids about the technology of sex rather than its morality.

Advocating safe sex to teenagers is on the level of calling for safe promiscuity. With an epidemic of chlamydia, gonorrhea, herpes, AIDS and other sexually transmitted diseases, plus rampant teenage pregnancies, births and abortions, Johnson ought to be telling kinds, cut it out. Are celebrities advising the young to do drugs safely?

The safe sex campaign, now on a new roll with Magic Johnson leading the fast break, joins two words that don't belong together. Safe sex suggests intimacy with no risk, as if beginning a sexual relationship is on the level of a handshake. Such a relationship is rarely without risk to safety: to the emotions of the couple, to their moral lives and to their definitions of commitment, honesty and mutual trust.

With or without condoms, sex has consequences. As any wounded lover left behind by a partner now off to a fresher bed, than another. Ask high school kids hurt by breaking up. Ask marriage counselors mediating damage control for sexually confused couples.

To narrow sex to the anatomical is to trivialize it. The human need to love and be loved instinctively wants more. Safe sex in the nineties is as bogus a goal as free love in the sixties. The AIDS panic has altered the discussion. Appeals to the young for sexual restraint or abstinence have been pushed aside, as if those arguments are either unintelligible to kids or asking too much from them. Scaring them about AIDS is a tactics. However useful, it overlooks that they have minds, souls and spirits that can often be spoken to.

Still, a few voices persist. In a talk for high school students in Detroit on November 11, Rev. Jesse Jackson called for behavior changes that included abstinence. Why settle for short-term pleasure, he asked.

I have seen him to this. He says, for a moment of thrill, a life of chill.

Back to Mr. Coleman McCarthy.

To a hedonistic culture, that smacks of asceticism. Up against Magic Johnson, credentialized by million-dollar contracts with Pepsi-Cola, Nintendo and Kentucky Fried Chicken, who is Jesse Jackson, a Baptist clergyman?

The outpouring of public sympathy to Johnson is well-placed. But little of it qualifies him to act as if his safe sex message is an answer worthy of this audience. The young deserve better. They are more than their genitals. But to much of society, calling for abstinence, restraint and morality is equal to prudery. Better to be a dude not a prude.

This is the standard set by fellow basketball star, Wilt "The Stilt" Chamberlain. He is currently hustling his autobiography, which boasts of his off-court scoring; Sex with 20,000 women since age 15, 1.2 romps a day for 40 years. If Chamberlain had announced he had a double fudge sundae every day for 40 years, or a daily two-pound sirloin, he would be called psychopathically self-indulgent and hauled off to the local eating disorder clinic. His sexual addiction has the national media salivating for details. Wilt the Stud has a message for kids: I got mine, go get yours.

Magic Johnson refines it a bit: I got mine, go get yours but be safe.

I will to with Jesse rather than Magic Johnson who is misguided temporarily.

IS THE DEFENSE DEPARTMENT ANTI-AMERICAN?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas [Mr. ALEXANDER] is recognized for 5 minutes.

Mr. ALEXANDER. Mr. Speaker, I must rise to explain my vote in opposition to the Defense authorization conference report bill in protest of Pentagon actions which can only be characterized as anti-American.

Yes, anti-American to hundreds of people who work for Lincoln Automotive in Jonesboro, AR, who are in danger of losing their jobs because the Department of Defense has given the work they were doing to a foreign manufacturer. And this comes during a time of rising unemployment and persistent recession.

On the one hand, the President talks about creating jobs and improving our economy. On the other hand, the Department of Defense hurts the economy by giving American jobs to foreigners.

The right hand and left hand are working at cross purposes, and we are asking American taxpayers to finance the whole muddled mess. Another way to describe this action is to observe that the Government is talking out of both sides of its mouth.

No wonder the American people are confused about their Government, even cynical, fed up. I admit to being more than a little confused by this action myself.

How can Washington expect the good taxpayers who are losing their jobs to have confidence in their Government?

The 400 employees of Lincoln Automotive have been making 4-ton dolly jacks for the U.S. military—and, I might add, doing a very good job of it.

Lincoln made a bid for more dolly jack business, but on February 27 they were notified that they were the unsuccessful bidder on the contract.

The work went to Daru Ltd. Metal Works in Israel.

This translates into American taxpayers being asked to put foreign workers to work at the expense of 400 jobs in Arkansas.

That, Mr. Speaker, is wrong.

The technical difference in the bid price between Lincoln and the company in Israel was about $30 a unit.

I want to repeat that—about $30 a unit. Because the actual difference makes the foreign product cost more than the American product, when you add in all of the additional costs associated with the foreign manufacture of these items, as well as the potential loss of American jobs, this contract will be costly indeed.

If worst comes to worst and Lincoln automotive workers are laid off, they won't be paying taxes, or buying cars, or doing much of anything except trying to keep food on the table.

There will be no savings here. This decision is going to cost the Treasury money.

From what I can find out, the Department of Defense does not take the economic impact on our own citizens into consideration.

I would suggest that it should.

I have asked DOD for an explanation. What I have gotten is a lot of high-blown rhetoric about interoperability of equipment.

That means, as far as I can determine, that NATO armies can freely exchange equipment.

I would like for Defense Secretary Dick Cheney to come to Jonesboro and tell the workers at Lincoln about interoperability.

And, they can tell him about car payments, house notes, the cost of keeping kids in school and food on the table.

It is my information that "Buy America" requirements can be waived through memorandums of understanding [MOU's] between the United States and certain foreign countries.

I am told that all this is somehow in the best interest of our Nation.

I am further informed by the Department of Defense that the MOU with Israel was executed under the authority of the Buy America Act itself. The act provides that a department head can waive domestic preferences if he "determines it to be inconsistent with the public interest."

Now, here's where things get a little muddled.

How, DOD was asked, could the potential loss of 400 jobs in Jonesboro, AR, by sending a contact to Israel be in the public interest?

I mean, of course, the interest of the American public.

There has been no satisfactory answer to that question.

Mr. Speaker, for me and for the 400 people at Lincoln Automotive and their families, there can never be a satisfactory answer to that question.

It is outrageous to export jobs for whatever reason given the state of the economy, and to do it with American taxpayers' money makes it even more outrageous.

On March 15, I wrote Stephen K. Conver who is Assistant Secretary for Research, Development, and Acquisition for the U.S. Army.

I told him about this situation.

In that letter, I said "that Americans have risked—and lost—both lives and money this year to protect people in the Middle East, including the people of Israel." I asked if it was necessary for the U.S. Government to willfully take action to put their jobs at risk also?

Mr. Conver replied a couple of months later that "while layoffs of American workers such as those at Lincoln Automotive are regrettable, the award to Daru was proper and in accordance with Federal law."

Legal it may be.

But, I totally disagree with Mr. Conver that it's proper.

Or that it even makes sense for that matter.

I attempted to correct this situation by amending the Defense appropriations bill to stop this assault on the jobs of workers at Lincoln.

The effort continued through the recently completed conference on the legislation.

For a variety of reasons, that effort was not successful.

But, this fight is not over. It has, in fact, just begun.

There's just no other way to put it: what we have here is the Federal government using the taxes of American citizens to destroy their jobs.

If someone asked me to set a new standard for defining the word ignorant, I would not hesitate to recommend this action.

Yes, it's all very legal. They have sent me proof of its legality.

But, does it make sense?

The answer is a resounding no.

The fact that the Defense Department uses provisions of the Buy America Act itself to destroy American jobs, is proof positive that common sense is becoming a rare commodity in Washington these days.

In passing the Buy America Act, I do not believe that Congress intended it to be used to send jobs overseas.

I do not believe that Congress intended to put interoperability above the jobs of American citizens.

As so often happens, it is not the law that is the problem, it's the way in which it is being implemented.

Mr. Speaker, American jobs are being lost overseas at an alarming rate. Policies of the Federal Government certainly should not contribute to that job drain.

And, to ask American taxpayers to help finance this is the height of folly.

Our people deserve better than this from their Government.

□ 1830

HEALTH INSURANCE WILL COST ME 57.4 PERCENT OF MY PENSION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. STARK] is recognized for 5 minutes.

Mr. STARK. Mr. Speaker, I have just received a letter from a man in Florida who had to retire before age 65 Medicare eligibility because of health reasons. As he writes, in "1992, health insurance will cost me 57.4 percent of my pension."

At the rate of health inflation he is facing, his entire pension is likely to be signed over to health insurance companies before he is eligible for Medicare.

Mr. Speaker, we need cost containment. The rate of health inflation is scandalous. We need health insurance for everyone that is affordable. The letter speaks volumes about the problems facing America's families—and why reform is necessary immediately.

I would just observe that if the President, Secretary Sullivan, and Members of Congress knew that health insurance would take 57 percent of their pensions, we'd pass health care reform in about a day.

The letter follows:

Hon. PETE STARK,
Representative of the State of California,
House Office Building, Washington, DC.

DEAR CONGRESSMAN STARK: My wife and I read with considerable interest that you are sponsoring a bill to reduce the Medicare age to 62. We applaud this effort and would encourage you to continue this effort with all

of your strength. Indeed, we would also encourage you to reduce the age in the bill you are sponsoring to 60.

Let me briefly tell you of our personal concerns. In November of 1990 I retired at age 58 for health reasons after working at a Florida Community College for 21 years, most recently as a Dean. The current health insurance premium for my wife and me is $687.14 per month (or $8,245.68 per year). On January 1, 1992 this premium will increase by 11.2% to $763.90 per month (or $9,166.80 per year). The insurance is a group plan for retirees of the Community College from Metropolitan Life Insurance Company, and the annual deductible per person is $350. My gross retirement pension from the State of Florida prior to July 1, 1991 was $1,304.01 per month (or $15,648.12). On July 1, 1991, my gross retirement pension was increased by 2.0% to $1,329.62 per month (or $15,955.44 per year). In January 1991, my health insurance cost me 52.7% of my pension. In January 1992, my health insurance will cost me 57.4% of my pension. Certainly there is something that Congress can and should do about this horrible state of affairs for all Americans in the "Medigap" years between 60 and 65 when Medicare takes over in most cases. Your bill appears to be precisely what my wife and I need to retain our financial health.

CELEBRATING 50 YEARS OF THE FIRST GOVERNMENT-CONSTRUCTED PERMANENT USO CENTER IN THE UNITED STATES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. PANETTA] is recognized for 5 minutes.

Mr. PANETTA. Mr. Speaker, I rise today in recognition of the 50th anniversary of the opening of America's first Government-constructed permanent United States Organization center on December 9, 1941.

The Nation's first permanent USA–USO center was constructed in 30 days during a nationwide building contest. The center was built under the direction of Maj. A.H. Griffin, the construction quartermaster stationed at Fort Ord, CA. When Mayor E.J. Leach and the city council of Salinas realized the possibility of their city being the first to finish in the crosscountry building contest, they rushed to the side of the quartermaster, eager to help in any capacity. With the extensive support of the community, the State of California, and the Federal Government, Major Griffin was able to ease through the bureaucracy to facilitate the speedy completion of the USO building. Men and women from all professions contributed their time, skill, and hard work to the achievement of this goal. With the dedication and drive of these remarkable people, the USA–USO clubhouse was completed on December 1, 1941.

On December 9, 1941, the center was officially opened. Screen star Edward Arnold led a cast of celebrities in a transcontinental broadcast from the new USA–USO building in Salinas, an event considered to be the highlight of the center's festive dedication ceremony.

The celebration continued the following day with music, parades, and dedicating ceremonies lasting well into the night. The city of Salinas was deservedly proud of its accomplishment.

Fifty years later, the USO building is still in use as the Salinas Recreation Center. For the 50th anniversary of the clubhouse on December 7, 1991, the Monterey County Historical Society, the city of Salinas and the Oldtown Salinas Association will sponsor a rededication of the USA–USO center in an effort to honor the men and women who worked so diligently for 30 days in 1941, and brought a sense of camaraderie to our servicemen and the citizens of Salinas.

The USA–USO building has been standing for the last five decades as a symbol of fellowship and commitment. Mr. Speaker, it is with great honor that I commend the people who have been the backbone of strength behind the USA-USO clubhouse's 50 years of remarkable service to the Salinas community and to our Nation.

AIDS UPDATE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana [Mr. BURTON] is recognized for 60 minutes.

Mr. BURTON of Indiana. Mr. Speaker, my colleague, the gentleman from California [Mr. DORNAN] gave a 5-minute special order a few minutes ago and he talked about some of the misinformation that is being given to the American people about AIDS. I hope tonight to illuminate this subject just a little bit to bring some people up to date in this Chamber who may not be as conversant with the AIDS pandemic as some of us who work on it on a daily basis.

One of the things that has been touted as a panacea for the problem my colleague from California, Mr. DORNAN, alluded to a few moments ago, and that is that Magic Johnson said that he was going to go around the country talking about the need for safe sex. We need to beat this drum loud and clear for every young person, every middle-aged person, every older person in this country, and that is there is no such thing as safe sex outside of a monogamous relationship at all, none. Studies have shown that people who use condoms on a regular basis and come in contact with someone who is infected with the HIV virus get the virus between 1 out of 6 and 1 out of 4 times.

I had some scientists in my office not long ago who dealt with the latex gloves that doctors wear which are not unlike the condoms we hear talked about so much, and they were here in Washington to talk to the Health and Human Services Agency of our Government about microscopic holes in these gloves that expand during the course of surgery. When a doctor does an invasive procedure and he starts digging around in somebody's body when he is working on their heart, or their lungs or whatever during the course of surgery, those little bitty holes, those microscopic holes in these gloves start to get bigger, and sometimes they get so big that actual droplets of blood or other body fluids will go through those gloves, thus endangering either the patient or the doctor. So they were here to talk to me about a device that you put on a doctor's uniform that would send a signal, a beep, if any blood or any liquids got through the latex gloves that the doctors were wearing.

The same basic thing happens with condoms, and that is why they are no panacea for stopping sexually transmitted diseases, in particular the AIDS virus. So when we tell young people to buy condoms, and I saw on television yesterday a church in San Francisco, an ad in which a preacher from the pulpit was telling his parishioners in San Francisco to use condoms because it would provide safe sex. I know he is well intentioned, but he is doing a disservice to the people of that community, because there is no such thing as safe sex outside of a monogamous relationship, and we should tell people that. There is such a thing as safer sex. You do cut down your risk, but it is like playing Russian roulette. You may take three bullets out of the gun, but there are still three in there, and the chances of getting it is still very real.

I would like to give some AIDS facts to my colleagues who may not be conversant with this subject, because this is information we all ought to know about. Then at the conclusion of my remarks I am going to tell Members what I think we should do to deal with this pandemic.

The Centers for Disease Control will expand its definition of AIDS early in 1992. The move is expected to immediately increase the official number of AIDS patients in this country, the caseload, by 50 percent nationally and as much as 300 percent in hard-hit cities such as San Francisco and New York. Let me tell Members what that means. Five years ago, 6 years ago when we started working on this we did projections on the number of people who would be infected with the AIDS virus, who would be dead or dying of it by the year 1990, by the year 1995, by the year 2000 and beyond. These extrapolations that we used showed that by the end of 1991, the end of this year we would have 250,000 people, minimum, dead or dying, and as many as 280,000 dead or dying by the end of this year.

The scary part about this is that the Centers for Disease Control has been telling us all along that our projections were way too high, and that in fact, by the end of this year, we would have about 200,000 people dead or dying of the AIDS virus. But with this new Centers for Disease Control definition there are going to be 300,000 people officially defined as dead or dying of AIDS by the end of this year, and that is over our estimate. Our estimate was between 250,000 and 280,000, and we know for a fact now there is going to be

300,000 people officially labeled as dead or dying of AIDS by the end of this year.

What does that mean? That means that our projections are probably going to be accurate through the end of this century. And I want to tell Members what those projections are. If anything, these projections I am giving my colleagues are short. By 1992, we figured there would be 375,000 to 465,000 people dead or dying; by 1993 between 500,000 and 650,000; by 1995 between a million and a million and a half; by 1997 2 million to 3½ million. If these projections are anywhere near accurate, we are going to have a cataclysmic problem in this country.

We have 1.3 million hospital beds in America, and we are definitely going to have 1 million people dead or dying of AIDS by the mid- to late-1990's at the very least. How are we going to deal with that? They estimate now that the cost for each person infected with the AIDS virus between the time they get active AIDS and die from it is about $85,000 to $100,000 a year. If we extrapolate these figures out and we get 1 million people dead or dying by the mid-1990's, we are looking at $85 billion to $100 billion that we are going to have to pay out in health care costs for AIDS alone, and I want to tell Members that is going to put a tremendous strain on the economy of this country and on the health care of this country and on the ability for us to even survive economically. We have a $4 billion deficit staring us in the face right now. Add to that another $100 billion a year just to deal with the AIDS crisis, and you can see what we are dealing with, not to mention all of the related problems we are going to have.

Some other information. Last fall Dr. Antonia Novello, the U.S. Surgeon General, noted that the main mode of transmission in Africa, where the disease is rampant, is through heterosexual contact, and it also may be becoming the trend in parts of the United States. In Africa and around the world, 75 percent to 80 percent of the people who get AIDS get it from heterosexual contact, not homosexual contact, and that is particularly true in Africa.

I want to tell the Members a story. The wife of the President of Uganda was before my Africa Subcommittee last week. Her name is Janet Museveni. She brought a lot of facts to our attention, and this needs to be consumed and digested by every Member of this body and everybody in this country. Uganda is about 6 years or 7 years ahead of us as far as the AIDS pandemic is concerned. We are today where they were 6 or 7 years ago, and they decided upon an educational policy to try to turn around the trends in that country. Do you know what happened? Nothing. There was no appreciable difference in the sexual behavior of the people over there even though they spent a tremendous amount of money trying to educate the population. And so today, AIDS is one of the leading reported causes of death among Ugandans. It is estimated that by this year, by the middle of 1991, there were 1½ million Ugandans, or 10 percent of the population that was dying of AIDS. Bear in mind they are about 5 or 6 years ahead of us, and 10 percent of their population minimum is dead or dying of this disease.

There are reasons for this. First, Uganda has a very large percentage of its population in the sexually active age group, and theirs is a sexually permissive society. So AIDS has been spreading.

□ 1840

But let us just look at the United States of America. We started going into an education program 2 or 3 years ago and we thought that was going to stem the tide of AIDS and stem the tide of sexual promiscuity. But what has it done? It spawned what is known as the safe sex revolution.

At Ball State University in my congressional district, or right on the edge of it, they did a survey recently and they found that 80 percent of the students there said they were sexually active. I presume, as I said before, that is true of students throughout the United States; 80 percent are sexually active and they rely on condoms to protect themselves. That will not solve the problem. A lot of those young people are going to get AIDS even though they use them, and many will get it even though they use those, because they do not take the time to use them or will get it because there is no protection whatsoever.

Can you imagine what it would be like in the United States if we have 26 million people dead or dying of AIDS? Well, the projections are if we follow the same path of Uganda, that is what is going to happen in this country, and yet we continue down the path of a very limited program to deal with this deadly, deadly disease, and it is horrible the way people die from it.

I have seen some of these people who die from it and I have seen the Kaposi's sarcoma, a very rare form of cancer they get. They have lesions all over their bodies. I mean, it is terrible. They get thrush in their mouths. There is no immume system.

There is a new virulent form of tuberculosis that we cannot even cure that is breaking out in penal institutions around this country as a result of AIDS. You cannot stop it.

You know, with tuberculosis, you can give people antibiotics and it will cure them for the most part, but this new strain of tuberculosis which can be transmitted through the air, so far they do not have a cure for it and they are very, very concerned about that.

So horrible things happen when your immune system breaks down and you get the AIDS virus.

Additional information: As early as November, 1988, the Center for Disease Control estimated that three out of every thousand college students were infected with the HIV virus. Most people say that is a very conservative estimate. Most people who are conversant with this information believe we have five or six out of a thousand college students infected with the AIDS virus, and with 80 percent of them being sexually active, you can see that it is going to spread in a fairly rapid manner.

In fact, here in Washington, DC, we found out just a couple of weeks ago from Lawrence G. DeAngelo of the Children's Hospital that there has been over a 300-percent increase in the number of teenagers in this city infected with the AIDS virus in the last 3 to 4 years. A 300-percent increase.

Now, granted the percentage is very low, but it went from three-tenth of 1 percent of the children in this city infected with the AIDS virus to 1.3 percent in just 3½ years—or four-tenths of 1 percent to 1.3 percent. That is a 300-percent increase.

Now think about that. The college students, the teen-agers who are infected with it continuing to spread it because of sexual promiscuity. And what are we telling them? "Practice safe sex."

We ought to be talking to them about the real truth about AIDS and that is you have got to stop having sexual contact unless you are married or with a monogamous relationship. That is the only way that you are safe.

Now, another thing that is very important is the spread among women. Statistics show that women are five times to 18 times more likely to get AIDS than men through sexual contact. They can get it that much easier, so women are much more at risk than men for getting AIDS. AIDS cases among women increased from 6.6 percent of the total age population to almost double, 11.5 percent, between 1985 and 1990. It is growing very rapidly among females in this country.

The CDC in Atlanta estimates that AIDS will become one of the top five causes of death in 1991 for women of childbearing age.

The total cost of medical care for people with AIDS or infected with the HIV virus in New York State alone was estimated at $1.3 billion last year and will double by 1993. That is just in New York alone, and they are having a terrible problem with it.

In New York State, hospitals will need an additional—get this—7,000 nurses during the next 4 years to care for AIDS patients. That is in one city, 7,000 more nurses in one city to deal with this problem.

It costs an average of $32,000 to treat a person with AIDS during any calendar year and an average of $85,333 between the time it is diagnosed and the time that they die.

The AIDS epidemic will cost the Nation some $44 billion yearly in direct health care costs by year 2002, and I think that is a very, very low figure.

So what do we do about this? Well, first of all, we found out that Magic Johnson has the AIDS virus. A number of basketball players were on television saying that they run into each other and they sweat over each other and they bleed over each other, and they were concerned about that. I think one of the players from Boston expressed a major concern about that.

I have heard some people poohpoohing that.

The fact of the matter is that we know that a soccer player in Italy, I think last year or the year before last, who had the AIDS virus ran into another soccer player. They butted heads. Blood was transferred and they both ended up dying from the AIDS virus.

You can get AIDS through contact in sports. It is very important that people know that, because it is being poohpoohed by a lot of people, saying that it is a very small risk, just like you cannot get it from a doctor or a dentist. We all know that is not true now. We know that the risk might be small if they wear protective gear, but the risk still exists.

So I say to my friends in the athletic professions, if you are in boxing and you get in the ring with somebody and you get into a bloody fight and that person you are fighting has AIDS, you are definitely at risk, and I would say to the athletic officials of this country there ought to be testing in the severe contact sports, because there is a risk factor, and a participant in those sporting events is in jeopardy if he has a head-to-head or fist-to-fist or bloody contact with a person who is infected with that virus, and I think this ought to be explored and ought to be discussed.

I notice that the NBA on a voluntary basis is now providing tests for the participants in their athletic contests. I think that is great. That is a step in the right direction. I think everybody should follow that lead. There should be testing, particularly in sports like boxing.

Now, finally, as I said, we already have 250,000 to 300,000 people by definition dead or dying of the AIDS virus. So what are we as a nation going to do about it?

Well, I have said time and time again we need a comprehensive program. So far this body, this Congress, has done virtually nothing to deal with it. We are spending money on scientific research and we are spending money on education, but we know that education does not work in Uganda and other countries where they have had extensive education programs. In Uganda the entire population of sexually active people in villages are gone. The only people left are older people and the very young, and it is spreading very, very rapidly. So education alone will not solve the problem.

We need a comprehensive program as a nation to come to grips with this and to save lives.

So I have suggested for 5 years this program: We need a testing program. You can call it routine testing. You can call it mandatory testing, but we need a testing program for people on a regular basis to find out where the disease is spreading the most rapidly, how it is spreading, who is spreading it, and who has it, so we can protect other people from getting it.

If a person has the AIDS virus and they know it, 70 percent of those people we know for a fact will not go on with their promiscuous activity, thus infecting other people. About 25 or 30 percent of the people will continue to do that, but at least we could stop an awful lot of people who are infected from spreading the disease; but first they have to know they have it, and probably 98 percent of the people infected with AIDS in America today do not know they have got it, and the people coming in contact with them do not know they have it. Ask Magic Johnson about that.

Obviously, whoever was infected, he did not know about it and they probably did not, either, and that is how he got it. So we need to identify those people to help them and to stop the spread of the pandemic.

We need reportability. When a person is infected with the AIDS virus, it needs to be reported to the health agencies so we can find the statistical information we need to deal with it.

In California, if you have a sexually transmitted disease other than AIDS, it has to be reported to the State health agencies. If you have AIDS and they even report it to your wife, the doctor is guilty of a felony. The doctor is guilty of breaking the law if he tells your wife you have AIDS, and he certainly cannot tell the health agency because he is guilty of breaking the law, but if you have any other sexually transmitted disease that can be cured, he is supposed to report that. We have got to change that. There has to be reportability.

There has to be contact tracing. If a person has the AIDS virus and we tell them they have it and we give them the psychological help that they need and the other help that they need to prolong their lives and they continue to go out infecting other people, we need to know about that, because it is worse than shooting somebody with a gun. If somebody holds up somebody or shoots somebody with a gun, we put them in jail. I am not suggesting that, but I am saying that if somebody has AIDS and knows it, they have to be constrained and we have to know that, who that person is who is continuing to act in an immoral way after knowing they had the AIDS virus, and the only way we can do that is through contact tracing.

We need to have education. We have education now. We need to continue to do that.

□ 1850

We need to escalate that. We need to be talking about the AIDS pandemic in every institution in this country. We need to be talking about it in schools, in our homes, and in the churches. We need to spend more money on scientific research. As fast as our scientific community can assimilate and use the money we are giving them and the information that they already have, then we ought to give them more; but we should not just throw money at the problem. We should spend it in a responsible way with scientific projects that are going to glean results.

Those who have AIDS virus, we should give them as much as we possibly can, the psychological help that they need to deal with this pandemic. We have people who have the AIDS virus going off the deep end and trying to infect everybody that they can. There was a show on television not long ago about a lady who was infected by a fellow she was going with, I believe it was down in Texas, and she said she was deliberately going out trying to find as many men as possible to infect before she succumbed to the disease.

So we need to give people psychological help as well as contact tracing to stop that sort of thing.

And also there need to be penalties for those who like this lady continue to go out and infect people. Those penalties may just include constraining them, putting them in the sanitarium so that they cannot continue to do that, once they have proven that they are going to go out irresponsibly and kill other people after they know they are infected. And finally those people who have the AIDS virus, we need to make sure their civil rights are protected. We need to make sure that their housing and their jobs and their health care benefits are protected. We just cannot cast them aside like lepers. We have to be concerned about them as well.

So we need a comprehensive program to deal with this thing. Until we come to grips with it, we are going to continue down the path toward national suicide as far as a lot of these young people are concerned.

The most rapidly growing area in my view of those infected by AIDS in the next decade are going to be teenagers, the kids between the ages of 13 and the people up to 30 or 35 because that is a very sexually active age. We are going to lose a lot of the productive members of our society if we do not come to grips with this with a comprehensive program.

I want to just say also to those who have the AIDS virus and do not know

it, their lives are shortened dramatically. A Dr. Salzburg came into my office to see me last week, and this is very important. I say to the gentleman from California [Mr. DORNAN], he will find this interesting: he did a graph, and I am going to have this graph blown up so I can show it to my colleagues at some future time on this floor. He shows that if people start using AZT by the year 1993 or 1994 you are going to cut the number of people infected by AIDS in the future by between 40,000 and 60,000 per year. How does that work? What it means is that if a person starts using AZT as soon as they find out they know they have the AIDS virus, it cuts down their infectivity. They are not as contagious.

So what happens is the minute they start on AZT it cuts down their ability to spread it. They can spread it but not as easily.

So according to these charts and graphs that the doctor has done, in a scientific way, we find that instead of by the year 2005 having over 110,000 new cases of AIDS per year—and I think that is low—110,000 new cases per year, it would drop to about 40,000 or 60,000 cases. So we would stop the spread of AIDS dramatically by doing that because we would know who was infected and we could get them on life-sustaining drugs in a quicker fashion.

Mr. Speaker, I yield to the gentleman from California [Mr. DORNAN].

Mr. DORNAN of California. I thank the gentleman for yielding.

Mr. Speaker, we have the most modern health systems in the world. In spite of that race in Pennsylvania which seemed to center around one issue of health care, we still have the best health systems in the world. People still come from Canada if they can afford it, in spite of their excellent health facilities, to get the advantage of state-of-the-art medical care.

One of the reasons, as the gentleman from Indiana has pointed out over and over again on the House floor, the reason this is cutting through Africa like a scythe, like a black plague from Europe in the Middle Ages or the Dark Ages, is that they do not have health systems or the financial wherewithal to cope with passing out AZT or something.

So I got this out of the notes of the gentleman from Indiana's notes up here on the desk, but since he did not take it down to the lectern with him, let me just add something that is a breakthrough that I saw in my own Blue Cross magazine which all of us who are on that system—which is most of us in the House and Senate—get in the magazine Inquiry. It said that the lifetime cost of treating each of the more than 324,000 Americans expected to be diagnosed with AIDS from 1991 to 1994—that is 3 years and I agree with the gentleman that is a conservative, low figure, the 324—the average lifetime cost will be $85,333. But here is the new thing that has been projected in Inquiry magazine for the first time: What is it going to cost someone like Magic Johnson to take medicine while they are just HIV-infected? Estimates based on the cost of treating people with HIV only, only, after they are diagnosed with AIDS, the medical cost of the AIDS epidemic, it is going to cost $5,150 per year, for the average cost of those who tested positive but do not have AIDS.

Now there is a mystery here about Earvin "Magic" Johnson. He was so manly and so courageous in the way he faced this at the press conference; but one question I saw some sportswriters write about: If he had not found himself exhausted in his play, and this is one of the highest heartbeat pulse rate, no quarters or downs to catch your breath sport, it is back and forth, back and forth. Ice hockey, European football, our soccer, are the most demanding sports as far as keeping your heartbeat up. If he could continue to play, if the doctors had said, "You tested HIV-positive but you continue to play for another 2 or 3 years until we see it manifest itself in your health something," would he have come forward? Some people say well he was so manly he probably would have, but then others say most people would keep this hidden because of the prejudice in the job market.

Would he have jeopardized all of those sponsors from Pepsi-Cola to name it? Maybe not.

So he announced it because his doctors said, "You must quit playing basketball, you big giant healthy guy." Obviously he is in that category where it is already starting to take its toll on his health. So he immediately goes on medicine.

So he starts out at the $5,000 category, which is a mere drop in the bucket for a multimillionaire sports figure, and somewhere between $5,000, upping that to the average of $85,333, a big frame, healthy guy like that would probably have to pay more of everything, so we are talking about probably $5,000 to $100,000, on a sliding scale going upward, with all the money he has invested over the years he can cope with this. There are a lot of poor people, drug users in the alleys who have it, who cannot, the prostitutes, as the gentleman pointed out, the prostitutes in Bangkok, downtown Lagos, Nigeria. Where is all this money going to come from to buy all these medicines?

So these cost figures are frightening.

Mr. BURTON of Indiana. I thank the gentleman for that addition. That is one of the reasons why we need this comprehensive program to deal with it, because the comprehensive program would help provide the health care and the psychological help that is necessary as well as protecting the civil rights. The gentleman talked about the people not coming forward because they are concerned about losing their job or losing their health benefits. That is why we need a comprehensive program that will encourage people to be tested. I hope we have a compulsory testing program for everybody.

But that would show them that the Government is going to protect their civil rights, their jobs, their houses, their health care benefits. If people know that, then the danger to them from an economic or health standpoint will be minimized.

Mr. Speaker, it is extremely important that this body and the Department of Health and Human Services and the Centers for Disease Control come to grips with this as quickly as possible. We have been treading water long enough. I am very concerned we are going to have to condemn maybe several million more people to die because of our action or lack of action in this Chamber.

Mr. Speaker, I yield further to the gentleman from California.

Mr. DORNAN of California. I thank the gentleman for yielding further.

At this point, just in case the cameras that are panning the House only show that there are four Members here—Mrs. BENTLEY is going to do another one of her highly enlightening and sterling special orders, maybe Mr. WOLPE is going to do one—but BILL BROOMFIELD told me the other night, as he sits in his office working, and he is one of our two senior Republicans who got elected in 1956 and hence is the ranking Republican leader on our Committee on Foreign Affairs.

Mr. BURTON of Indiana. He looks younger than that.

Mr. DORNAN of California. Well, he watches this in his office. We may have 30 or 40 people watching in their offices. But we know that there is 1½ million out there in the C-SPAN audience. So all those people who are tracking this carefully, let me add a Colman McCarthy quote, the last paragraph that I did not have time to read in my 5-minute special order. Anybody who looks at the written RECORD tomorrow can look at the article in its totality. But let me read what he said in his last paragraph. You remember I ended up by saying that Jesse Jackson is out there, a Baptist minister, trying to recommend abstinence. But what is he up against? Magic Johnson with all of those million-dollar contracts with Pepsi, Nintendo, Kentucky Fried Chicken, et al.

Here is McCarthy's last paragraph:

> The outpouring of public sympathy to Johnson is well-placed. But little of it qualifies him to act as if his safe-sex message is an answer worthy of his audience.
>
> The young deserve better. They are more than their genitals. But to much of society, calling for abstinence, restraint and morality is equal to prudery. Better to be a dude not a prude.

□ 1900

My own footnote here is: "Look at the way they tried to handle our own colleague, Vice President DAN QUAYLE, because he said 'Abstinence may be the principal thing we should leadoff with the talk to children.'"

Back to McCarthy:

This is the standard set by fellow basketball star, Wilt (the Stilt) Chamberlain. He is currently hustling his autobiography, which boasts of his off-court scoring: sex with 20,000 women since age 15, 1.2 romps a day for 40 years. If Chamberlain had announced he had had a double fudge sundae every day for 40 years, or a daily two-pound sirloin, he would be called psychopathically self-indulgent and hauled off to the local eating disorder clinic. His sexual addiction has the national media salivating for details. Wilt the Stud has a message for kids: I got mine, go get yours.

Magic Johnson refines it a bit: I got mine, go get yours but be safe.

Mr. BURTON of Indiana. Can I interrupt just for a minute there?

Mr. DORNAN of California. Sure.

Mr. BURTON of Indiana. As my colleagues know, Magic Johnson has just accepted the President's offer to be on the AIDS Commission, and Magic Johnson, I think, is well intentioned. I really do.

Mr. DORNAN of California. I agree.

Mr. BURTON of Indiana. And I think, if Magic Johnson studies this issue, as the gentleman from California [Mr. DORNAN] and I have over the years, and he gets on that Commission and starts telling the young people of this country that abstinence is the way to go, a monogamous relationship once they are married, and, if they have to go out and do these things, and I do not recommend it is what I hope he will say, but, if they have to, then safe sex, safer sex, with a condom, is the right thing to do, but the best thing and the only way to be sure that someone is going to survive to maturity and live to a ripe old age is to make sure they do not involve themselves in sex outside of a monogamous or marriage relationship. If he would do that, if Magic Johnson would go on that Commission, he would do such a service for this country, and I think every parent, every grandparent, everybody who loves their kids and grandkids and who wants to see them grow into a ripe old age, I think they would applaud him, and he would go down in history as one of the truly great Americans.

Conversely, if he goes on that Commission, as the gentleman from California [Mr. DORNAN] said, and he continues to talk about safe sex, which does not exist, and we find kids getting AIDS, as they will in the future while using condoms which are perceived as safe sex, people will look upon Magic Johnson as a person who had the wrong message and, thus, caused their loved ones to die prematurely.

So, I just say to Magic Johnson who may be paying attention, or anybody else who might be on that AIDS Commission, "Give the true story to the people of this country. There's no such thing as safe sex outside of a monogamous relationship except abstinence," and we have got to tell them that. If we get that message across, that will be great.

Mr. DORNAN of California. The gentleman from Indiana [Mr. BURTON] is precisely correct. The very position from where you stand, last Wednesday I recommended that the President offer the Commission spot to him for a lady that had died of AIDS, and I hoped that he would accept, and then I espoused, much more briefly than the gentleman, the same fears that he has, that he can do this right, or he can continue on this early path that we hope was just born of the shock of learning that his career was coming to an end and his life may be terribly shortened, and it is a perfect place for me to put in a couple of paragraphs from Pat Buchanan's column, and I really will only mention about less than a fourth of his column.

In the ease and even humor, with which he stood up at that press conference to announce he had the AIDS virus—and hence was under sentence of death—nobody in the sports media particularly wanted to use those words; that is true, Magic Johnson was a class act. As he has been for more than a decade for the Los Angeles Lakers.

But the way in which America's chattering classes (in Peggy Noonan's phrase) reacted reflects the immaturity of our age. As with the death of Maryland's All-American Len Bias, of a drug overdose, Johnson's stunner unleashed a torrent of nonsense.

Rep. Tom Downey, New York Democrat, rushed to the House floor to wail: "Magic, we need you more then ever. We need you to remind us that government must take the lead in stopping the spread of AIDS."

Government? But how is "government" supposed to stop the spread of AIDS? How, after all, did Magic contract AIDS? Here is what one gutsy sportswriter—

Almost a voice alone,

Peter Vescey, USA Today, wrote the day after Magic's announcement. "At the same time as much as I'm shocked. I'm not shocked. Magic's promiseuous bachelor lifestyle these last dozen years—I doubt he has ever heard the word 'no'—left him brutally exposed. . . . Even in this day and age of AIDS, an awful lot of players pass around the same women in every city."

Magic was "my role model," says Wilt Chamberlain, who brags in his new book about having slept with 20,000 women. Is government supposed to stop the spread of AIDS among athletes fornicating like that? How? Are we to put federal agents outside every locker room in the NBA to hand out condoms as the players head out with their groupies for a night on the town?

And then rushing way forward, Pat closes:

Thanks to "lifestyles" pursued by millions who emulate Wilt and Magic, two of three black children in our inner cities are born to unwed mothers, raised without a father's care. And test scores fall, kids drop out, drugs are everywhere, and one in four young black males is in prison or on probation or parole.

And the white statistics are catching up, closing the gap quickly as our century closes out.

The Hollywood pace-setters of our popular culture may live a lavish lifestyle on money made mocking traditional morality, but the society that drinks of their delicious poisons also dies of them.

President Bush insists that "changes in behavior" will stop the epidemic, huffs the New York Times, but how will those changes occur if the President himself continues to disappear from leadership against this virulent enemy?

Can the Times be serious? Can anyone believe 10 televised speeches by Mr. Bush is going to roll back a Sexual Revolution, when a body count of 126,000 dead of AIDS has failed to do so?

In their outpouring of affection for Magic Johnson, many are trying to evade the issue of moral accountability. Times columnist Anna Quindlen is particularly upset with those who raised the question:

Over the last year we have witnessed in canonization of one AIDS patient, a 23-year-old woman named Kimberly Bergalis who says that she "didn't do anything wrong." This is code, and so is her elevation to national symbol.

I guess Anna thinks the gentleman from Indiana [Mr. BURTON] and I are guilty of praising Kimberly also.

Kimberly Bergalis is a lovely white woman with no sexual history who contracted AIDS from her dentist. She is what some people like to call an innocent victim.

Back to Buchanan:

Again, sorry, but there is a moral distinction between Kimberly Bergalis and Magic Johnson that cannot be lost. It is the difference between a young woman who has been mortally crippled by a reckless driver, and a reckless driver smashing into a tree. Every AIDS victim merits compassion, but not every AIDS victim is blameless.

Magic Johnson gave Americans last week an example of manly grace under pressure. But, if this society is ever going to turn away from the suicidal course on which it has embarked, it is going to need more than Magic's admonitions to "practice safe sex."

The New Testament asks: Who among you, if a man asked for bread would give him a stone? Yet, as the bright-eyed children of tomorrow look to us with hope, for the Way, the Truth and the Light, we tell them to hold out their hands—and give them a condom.

Magic Johnson is not the only one carrying a fatal virus.

Mr. Speaker, I thank the gentleman from Indiana [Mr. BURTON] for taking this special order.

Mr. BURTON of Indiana. Mr. Speaker, I thank the gentleman from California [Mr. DORNAN] for his contribution, and I would just like to say in closing that Kimberly Bergalis, we met her parents, and she was here. Kimberly Bergalis is a courageous young woman, and I wish her and her family well, and she has been sending a message up here that we need to have a comprehensive program to deal with it, including testing. She has done a great service for her country, and her parents have done a great service for the country. We appreciate that, and, in closing, I would just like to say that Magic Johnson could do a great service for his country

if he would tell young people of this country the straight scoop on this, and that is there is no such thing as safe sex.

Mr. DORNAN of California. You bet he could.

DAVID DUKE, GEORGE BUSH, AND THE POLITICS OF RACE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. WOLPE] is recognized for 60 minutes.

Mr. WOLPE. Mr. Speaker, I have taken this special order this evening to share some reflections on the election in Louisiana this past weekend, and what it says about the direction this Nation of ours is heading.

David Duke may have lost his bid to become Governor of Louisiana but his message of hatred and resentment is alive and well. It has many messengers, and many different guises. It is seldom as direct and overt as a white hood and robe, swastika. But it is the same essential message of racism and bigotry—whether it takes the form of a Willie Horton campaign commercial, or it is conveyed through a deceptive attack on civil rights legislation. It is a message that plays upon the fears and prejudices of an increasingly alienated, vulnerable, and insecure population. It seeks to divide people, to sow hatred and to sow distrust.

Mr. Speaker, it is a message that is working. It worked in Mississippi just a few weeks ago. The Governor's race there did not attract the national attention of the Louisiana race, because the Republican candidate in Mississippi did not have in his history the overt symbols of a Klan membership and a Nazi swastika. But the code words deployed were essentially the same as those used by David Duke and they were effective. And the message worked earlier in North Carolina where last year the Helms campaign used a television commercial to stigmatize affirmative action programs as providing unfair advantages to unqualified minorities. And, yes, the message also worked in the President's campaign against Michael Dukakis. Indeed, is there anyone who doubts that even now there are scores of highly paid political consultants out there pouring feverishly over Louisiana's election returns and postelection polls, seeking ways to manipulate racial fears and prejudices even more subtlely and effectively in the elections ahead of us. Because in a society that has never really come to terms with the issue of race, it is a tactic that works.

Race has been described as the principal fault-line of the American political system. But in the sixties and seventies, the emergence of a mass civil rights movement gave testimony to the deep yearning of Americans to come to terms with that part of our history that was so at variance with American ideals. The voices of leaders such as Martin Luther King, Cesar Chavez, and John Kennedy inspired all of us to dare to believe that we could in fact create a more just society and a more peaceful world. And, as American celebrated the passage of the Civil Rights Act of 1964, the Voting Rights Act of 1965, and the Fair Housing Act of 1968, the structure of law and custom that had made minority Americans second-class citizens and closed them out of the key institutions of the society began to change. These legislative achievements did not occur without struggle, but they gave expression to the determination of the vast majority of the American people to address the deep-seated racial inequities of our society.

But if we look around America today, it appears that all that we have worked so hard to achieve in past decades is now at risk. Racial and ethnic tensions have intensified. Our society is increasingly polarized along racial, ethnic, and economic lines. And now we see certain of our leaders and would-be leaders, instead of working to bring us together, playing upon our racial fears and prejudices and developing race-based political strategies. All of us need to be very clear about how high the stakes of this cynical game really are: the effort to manipulate racial divisions for political advantage will ultimately prove enormously destructive to the entire Nation.

Yet most white Americans, recent public opinion surveys indicate, are increasingly receptive to these race-based negative appeals. They feel that the most egregious forms of racism and discrimination are a thing of the past. Moreover, as America's economic strength has eroded, white anxieties about their own economic status and future have intensified. Middle-income Americans, in particular, are being squeezed as never before, and they are frightened for themselves and for members of their families. So it is not surprising that they have become increasingly resentful of affirmative action programs that, in their view, are designed to give to minority Americans unfair and unjustifiable special advantages.

Given some dramatic changes that have occurred in the past three decades, current white perceptions are understandable. Increasing numbers of blacks have in fact been elected to local governments, State legislatures and the Congress. Colin Powell is but one of a long list of African-Americans that have risen to prominence within America's military establishment. The doors of corporate America have opened and black college graduates find themselves in demand. More blacks have entered the Nation's middle-class, with the percentage of black families with incomes over $50,000 at its highest point ever, about 10 percent.

But as significant and hopeful as these developments have been, the harsh reality is that they have not touched the lives of the vast majority of minority Americans. Over two centuries of racial subordination and discrimination have taken their toll, and significant racial inequities persist. For the most part, African- and Hispanic-Americans continue to lack the education, the skills and the resources to take advantage of the opportunities created by civil rights legislation. Minorities can now seek redress in the courts if they are discriminated against in their efforts to secure decent housing, but few have the resources to purchase housing outside of their gehettoized communities. Minorities can go to court if they experience job discrimination, but few have the education and skills to land the better paying jobs; the number of middle-class minority families may have increased, but 50 percent of black Americans continue to live in poverty, three times the percentage for whites. Black college graduates may be in demand, but the number of African-Americans entering and finishing college is actually declining. Indeed, continued racial inequities are literally a matter of life and death: a black baby is twice as likely to die within its first year of life as a white infant, and African-Americans have over 6 years lesser life expectancy than white Americans.

That is the reality but that is not the way the world appears to middle-class working Americans. These folks have seen their own living standards steadily erode this part decade. They have seen their hard-earned tax dollars go to finance tax cuts for the rich and programs targeted at those who are even poorer than they. They have seen their jobs eliminated or threatened by foreign competition, and they are struggling to send their children to college or to provide medical care for themselves and the members of their families. These Americans have their own, legitimate set of grievances and they have come to feel increasingly powerless, the victims of economic and political forces they cannot control.

In a very real sense, America is at a turning point. We can either continue down the path of race-based political strategies, a path that can only lead to deeper inequalities, greater divisiveness, and more intense conflict and violence or we can begin to address—by action, not by lipservice—the real issues that confront all Americans, that transcend the boundaries of race and ethnicity, and that will permit us to forge a new sense of national unity and common purpose. We can either opt for a politics that manipulates our divisions, that feeds multiple hatreds and resentments, or we can opt for a politics that offers a unifying vision of a more fair and secure future for all Americans.

Mr. Speaker, my hope is that as we all reflect on the political turbulence that is swirling all around us, we Americans will come to recognize that just as we will all be losers if racial conflict becomes more intense and more violent, so we will all be winners if we can move aggressively to attack the problems that are making all Americans feel threatened and insecure.

Our Nation faces challenges on many fronts, but surely none is more serious or troubling than America's economic decline. All Americans—whites no less than minorities—will be hurt if this decline cannot be arrested. The real enemy of beleaguered workers today is not affirmative action programs designed to overcome a legacy of race prejudice and discrimination, but an economy that does not provide secure employment for all Americans. The solution is not to fight over who gets the limited number of jobs available, but to create more jobs and to train people to fill them.

This last point deserves special emphasis. For it is increasingly clear that the only means by which America will be able to hold its own in international competition in the years ahead will be the development of a better educated, more highly skilled work force. When our eductional system leaves large numbers of people unable to perform in a modern economy, we all lose. And it doesn't matter whether the uneducated and unskilled are black or white or brown. If our economy continues to lose ground to our trade competitors in Europe and Asia, we will all pay an increasingly heavy price. But if we can turn this economy of our around, if we can reinvigorate our educational system, if we can insure that American workers will be given the necessary training and skills, if we can regain our competitive edge, then we will all win.

Thinking about issues of social conflict in "win-win" terms is often difficult. As author Stephen Covey observes, most of us "have been deeply scripted in the win/lose mentality since birth." It is often taken as a given that one person's victory is another person's defeat. But, in Covey's words, "* * * most of life is not a competition. We don't have to live each day competing with our spouse, our children, our coworkers, our neighbors, and our friends. 'Who's winning in your marriage?' is a ridiculous question. If both people aren't winning, both are losing."

"Most of life," Covey continues, "is an interdependent, not an independent, reality, and most results you want depend on cooperation between you and others. And the win/lose mentality is dysfunctional to that cooperation."

And so it is with the politics of race. Whenever we think black gains mean white losses, or that the security of whites depends upon continued black subordination, we are still in a win/lose mentality which ultimately means we all lose.

Mr. Speaker, if ever there were a time for Americans to be united, surely it is now. If ever there were a time for Americans to be reminded of our interdependence, surely it is now. If ever there were a time for our national leaders to remind us, not of our differences, but of what we as Americans hold in common, surely it is now. It matters not whether one is black or white or Hispanic or Asian or Arab; it matters not whether one is Protestant or Jew or Catholic or Moslem. What does matter is that we are Americans all—believing in the American dream of a just and open society, in which all might live out their lives in dignity and security, and in which every individual will be free to realize his or her fullest potential.

It is clear that the key to turning things around, to creating a more secure and hopeful furture for all Americans, is to make those public investments essential to economic performance. There is so much work to be done: we should be investing, now, in education, in job training, in research and development, in environmental clean up, in the rebuilding of our public infrastructure, in constructing a system of national health insurance, in restoring blighted urban areas. Instead of allowing ourselves to be played off against each other, we must insist on an aggressive domestic agenda that would address the underlying problems that feed the anxiety of Americans and fuel racial and ethnic conflict.

Mr. Speaker, there is no question that the message of David Duke will be heard again in the weeks and months ahead. But I am convinced that the vast majority of Americans will reject this message, as long as they believe that their grievances will be addressed, that their government will begin to respond to the needs and aspirations of all Americans for a better and more secure future. Most Americans understand the dangers that the David Dukes of our country represent and in Louisiana voters turned out in record numbers to overwhelmingly repudiate the racism and bigotry of the Duke candidacy. Likewise, in Pennsylvania, when voters were offered a positive alternative to do-nothing domestic policies—an alternative responsive to the needs of working-class Americans for tax relief, for national health insurance, and for a more secure economic future—they produced one of the most extraordinary political upsets of the decade. Neither outcome was predicted: Only a couple of weeks ago, many commentators were saying a Duke victory was almost inevitable. And, in Pennsylvania, Democratic Senator HARRIS WOFFORD began his campaign as a political unknown with a 44-point deficit in the polls. What an eloquent testament to the power of an aroused citizenry, motivated not by a divisive appeal to racial fears and prejudices, but by a unifying sense of new hope and possibility.

Mr. Speaker, the past two decades have seen a dramatic withdrawal from political participation throughout our Nation. Some commentators have read this decline in political activity as symptomatic of voter apathy and indifference. I don't buy it! It is not indifference or apathy that has turned off the voters, but rather a profound sense of political powerlessness. Americans everywhere have come to believe that the Government is divorced from their real needs and concerns, and that average citizens simply don't count for much—particularly in comparison with powerful economic interests. And, while this sense of impotence is understandable, particularly given the unresponsive nature of our political institutions the past several years, it has also produced a self-fulfilling prophecy: Feeling powerless, people have become powerless. Fewer people have been voting, or petitioning, or demonstrating or, for that matter, even reading the newspapers.

Mr. Speaker, the real lesson that we must take from Louisiana and Pennsylvania is that people do count, and that we can make a difference, a profound difference. When we register and vote we have the power to change our path, our Nation, our future. We, all of us, have the power and we are now beginning to use it.

□ 1920

McDONNELL DOUGLAS JOINS WITH MITSUI

The SPEAKER pro tempore (Mr. CARR). Under a previous order of the House the gentlewoman from Maryland [Mrs. BENTLEY] is recognized for 60 minutes.

Mrs. BENTLEY. Mr. Speaker, there is an immediate concern about our aircraft industry that I want to mention before giving the full text of my remarks.

McDonnell Douglas' financial difficulties have been presented to Americans as the "Perils of Pauline" story of the aerospace industry. Financial failure was fast moving in on the company without quick Government action. The Defense Department denied it would bail out its largest defense contractor, but at the 11th hour newspapers reported DOD would help the company. Now Americans can find out the outcome of that help.

The Japanese company, Mitsui & Co., is taking a 10-percent interest in the $4.5 billion development cost of McDonnell Douglas' next generation passenger plane. Mitsui, acting as an agent for McDonnell Douglas, will also hand out jobs to U.S. parts makers.

Although the Mitsui Co. does not have an aerospace company in its corporate group keiretsu—it will for practical purposes have one with McDonnell Douglas' recruitment of the big three Japanese firms of Mitsubishi, Kawasaki, and IHI which have aerospace experience. The American aerospace industry is about 65 percent of the total world sales, both civilian and military. With this rescue of McDonnell Douglas, the true winners may be the Japanese.

□ 1930

AMERICA'S CHALLENGE

Mr. Speaker, my other concern is how this country is going to meet the challenge of revitalizing American industry.

The last several years we have hotly debated in this Chamber the future of the United States and the role our country should play in world trade. Before further debate, we should first clarify what we are discussing. Businessmen and policymakers throw around terms about free trade, fair trade, globalization, and internationalism, and use them interchangeably. Just what do they mean?

Perhaps we can work our way through the maze of terminology by establishing some ground rules and what is fact and myth. How can we debate what needs to be done, if we do not have a clear picture of our business climate. What is the truth?

Is it a fact or myth the multinational companies are the major source of creating jobs in the U.S. economy?

Warren Brookes, writing this week in the Washington Times pointed out in Big Business and Stagnation that "from 1982 to 1989, U.S. multinational companies generated a domestic employment gain of nine-hundredths of 1 percent, while the Nation's total nonagricultural payrolls rose 21 percent. These big corporations which produced the equivalent of 70 percent of the Nation's final sales in 1982 contributed only 15 percent of total gross national product from 1982 to 1989."

That is a fact not a myth.

And Labor Secretary Lynn Martin was quoted in the article that "two out of three new jobs are created not by big corporations but by small and mid-sized businesses."

That is fact not myth.

We have heard how America cannot compete in the world market. That the Nation is in a state of decline.

I quote a July 1991 Trilateral Commission report that, "contrary to prevalent opinion, the American share of world product has held steady at roughly the same level of 23 percent from 1974 to 1990." Remember the United States is the world's largest market. I might add that the trilateral countries of the United States, Japan, and Europe account for 60 percent of the world economy and have 12 percent of the population.

That is fact not myth.

Most people believe that currency in world markets is generated by commodities and goods. The Trilateral Commission also reports that "today the international economic system is dominated by financial factors."

Thirty years ago, most foreign exchange transactions were closely related to the transfer of goods and services across national frontiers. Today only some five percent or less of foreign exchange transactions reflect world trade in goods and services.

That is fact not myth.

Just how are we financing these transactions? A 1989 Wall Street Journal article reported that for domestic purposes 39 percent of the big companies in America with sales in excess of $5 billion use Japanese banks.

I would guess the figure is higher now. Small companies go wherever they can for financing. In the old days the door led to their friendly neighborhood banker, but in today's climate—no one wants to listen to the small businessman.

That is fact not myth.

Just how do these statements affect our discussions. What is lacking in the statements I made are people and how these facts translate into opportunities for working Americans.

When we read the headlines about the profits of the largest multinational companies, how does this translate into jobs. As of now, most companies blame their hiring figures on the recession, which is a contributing factor. But other reasons also are involved.

An example is Raytheon moving the next generation Patriot missile to Germany.

Despite the company denials, almost 2,000 people will be laid off in Massachusetts next year when that happens.

Zenith Corp. is trying a different scenario. It is shifting jobs from Taiwan to Mexico—and it is also shifting American jobs to Mexico. Those new employees will join the thousands of Zenith employees now in Mexico. The advantage to Zenith is it can use low-cost labor and ship the goods into the United States duty free.

Burton Pines, vice president of the Heritage Foundation, was quoted in the Washington Post saying that assembling sets is a primitive technology and, therefore, beneath the U.S. dignity. He may believe it is primitive technology, but when you need a job it pays better than fast food chains.

The fast food chains will have somebody to sell to.

Already in Mexico are the auto assembly plants and other companies too numerous to mention. All the plant moves have been done in the name of competitiveness and costs.

We are, according to the economists, shifting to a service economy from an industrial economy. Actually, many of us already believe that that shift has taken place, that the manufacturing is all but gone except for the assembly plants that are around and, because so many of the manufacturing plants are gone, the service economy is not thriving either.

Again, I want to quote Mr. Akio Morita, chairman of Sony Corp. and the coauthor of the controversial book "The Japan That Can Say No."

In a New York speech he said in talking about the shift to a service economy that:

It is clear, at any rate, that this shift in manufacturing to services is well advanced in the United States, a country which since 1950 has lost half of its manufacturing jobs and where almost three quarters of all jobs are service oriented.

What I would like to suggest to you today is that this trend, far from being the natural progression of a maturing economy and something to be encouraged is destructive for in the long run an economy which has lost its manufacturing base has lost its vital center.

A service based economy has no engine to drive it. Thus, any complacency about the world's most powerful economy moving from manufacturing to services is entirely misplaced.

It would seem obvious that the service elements of any economy are entirely dependent upon a manufacturing industry which can develop the new technology that defines our civilization.

As I have previously stated, I agree wholeheartedly with Mr. Morita.

He says we must manufacture and yet we are busy shifting to a service economy. Small- and mid-sized business still are creating two out of three jobs. The United States is still the world's largest market—and yet we busily are arranging new trade agreements which, ultimately, will lower our standard of living.

According to Prof. Robert Reich of Harvard, only 20 percent of working Americans will do well and the rest will have a hard time.

Given the facts I have stated, my reaction to Professor Reich and others who have made the same statement is the American dream is not yet dead but we are in the process of killing it as fast as we can with poor policies.

□ 1940

The Washington Post article, "A Tightening Grip on Jobs", on November 3 explained how Americans are losing their jobs and the difficulty they are having in finding another job—if possible. The story listed job cuts since June 5 of just a small area, limited numbers. And I might point out, many of these are white collar jobs. He points out that USX has laid off 2,280; city of New York service economy 6,300; Shell Oil, 4,650 industrial; Seagate Technologies, 1,650; Chemical Bank & Manufacturing Hanover, 6,200 Service; Unisys, 10,000; Pan Am, 5,000; Atlantic Richfield, 1,500; the State of Maryland service, 1,700; Westinghouse, 4,000; Boeing, 2,500; Allied Signal, 5,000; Compaq, 1,400.

That group makes a total of 52,180 people—white collar and blue collar—on that list who lost their jobs recently. I know these job cuts are scattered around the country, but to better understand what it means to lose this number of jobs, just think of the total 52,180 as a small American town in your State. Let's call that town, Everywhere City. What would it be like to wipe out Everywhere City, IA, or Everywhere City, CA, or Everywhere City, IL? Just think about it—a town of 50,000-plus with no means of employment for its citizens. When Everywhere City stops spending, it affects other working Americans.

Included in the article about unemployment and what I call the unemployed of Everywhere City is the fact that "the number of manufacturing jobs in the Nation fell by 32,000 in October." Reporting the effects of a 250-person layoff by Rockwell, the story explained that the city of New Castle would lose 5 percent of its tax revenues which would further erode the financial position of the school board. That means that in that town, 250 people laid off, the city of New Castle would lose 5 percent of its tax revenues. That is now the cycle effect everybody.

How did the school board get in such a situation? Remember the recent articles about Bridgeport, CT, declaring bankruptcy and the fact that Philadelphia cannot pay its bills. They are just two of many cities and counties with big deficits. A partial reason for this situation was explained in another Washington Post article.

A companion piece to the unemployment article was "U.S. Firms Look Abroad for Capital Expertise." The story by John Burges explained how companies like Time-Warner went to the Japanese for funding and in return gave them a piece of the business. The business deal was done to create synergy for their products.

Mr. Burges also quoted Burton Pines about the Zenith move to Mexico. Mr. Pines sees the "Zenith move as evidence that the proposed free-trade agreement with Mexico will work. If the Mexican economy is bolstered through investments like this, it will ultimately generate a higher standard of living and import more from the United States."

If we lose jobs to Mexico as we are with the Zenith move, then what happens to those unemployed people? What is happening to those 52,000 unemployed in Everywhere City?

If we continue to shift to a service economy then what will Mexico buy and what happens to our standard of living? Professor Reich says only 20 percent of working Americans will do well.

Have we now arrived at the place where Japan is and which the new Japanese Premier Mayazawa says must be changed. The Premier stated, "Japanese policy up to now has been to give priority to industrial production. * * * not to lifestyle and domestic consumption. * * * The nation's economy is rich but the people don't feel rich. That says something is wrong with Japanese policy."

The United States is a powerful nation with the world's largest economy, but Americans are having a tough time and our economists tell us that our standard of living is going down. Losing jobs to other countries or selling our key industries all in the name of competitiveness still leaves the unemployed in a precarious position, including their dependents. Some of the companies bought by the Japanese will employ Americans, but by selling these American companies we have insured a loss of the United States competitive edge and a further eroding of our industrial base. And I might also point out here, as a matter of fact, in all of these Japanese companies, as was given in some hearings that have been held here, Americans never move up into the management levels, or the higher management levels.

In the 3-year period from October 1988 to October 1991, Japanese investors bought more than 400 high-technology companies in the United States. Most of the companies acquired produce leading edge technologies. They purchased 15 aerospace companies, 22 electronics, 24 telecommunications, 25 semiconductor manufacturing equipment, 45 semiconductors, 48 advanced materials and 70 computers companies.

We must think about the facts and myths of the American industrial situation. As we do we should remember that:

One, the United States is the world's largest market.

Two, America has held its position of 23 percent of world market share since 1974. Before that time we were coming off a wartime economy.

Three, small business is the job generation in the United States, not the multinational company.

Four, big American companies with over $5 billion in assets are going to Japanese banks for domestic purposes.

Five, America has the highest overall productive rate of any industrialized nation.

But, six, if we do not manufacture, we cannot even have a thriving service economy.

Just what do these stories and facts and myths mean? Should we let economists and policymakers interpret them for us or should Congress and the American businessmen and working Americans begin to examine the issue for themselves?

We cannot consider just Japan in a discussion of correcting our problems, but we must begin now to revitalize America's industrial base.

The facts and not myths that I mentioned clearly show we are a giant, but we have allowed ourselves to believe we are weak.

We have the innate talent and creativity—the know how and most of all the will to keep the American dream of opportunity alive. It just depends on how well we plan and act together.

To that end, I am introducing a resolution urging a White House conference to examine ways to revitalize our industrial base, because I do believe working together we can meet any challenge. It is a fact, not myth, that the American people can change our situation. What we have to do is get out of the way and work with them in revitalizing America.

□ 1950

THE CRISIS IN HEALTH CARE

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio [Ms. OAKAR] is recognized for 60 minutes.

Ms. OAKAR. Mr. Speaker, I want first of all to associate myself with the previous speaker, the gentlewoman from Maryland [Mrs. BENTLEY]. I could not agree with her more that we are losing jobs and we are losing, most importantly, our industrial base in this country. We can do better. I applaud her for recommending a White House conference on this, but we had better get with it and start thinking of our own people in this country.

That is why I want to talk a little bit tonight about a very related issue to unemployment and a related issue to the needs of the American people, and that is the crisis in health care that we have in this country. It really is scandalous when you consider the wealth of this country and the fact that we believe we are the greatest country in the world, but we are not the greatest when it comes to having affordable universal comprehensive health care for every American, and it ought to be considered a right.

I had the privilege of serving on what has become known as the Pepper Commission. There were 15 members on that Commission. It was bipartisan, and interestingly enough, I was the only woman out of 15 on that Commission; but the point is that I learned a lot. I want to share some thoughts about what I think we ought to do, and in that line I have formed with 90 other Members a bipartisan caucus on health reform, because we had better do something about the crisis.

First of all, we ought to know some very simple facts, and that is that we are the only industrialized country, with the exception of South Africa, that does not guarantee comprehensive health care for every citizen.

Health care, as I mentioned, ought to be a right, not a privilege, and yet we have 37 million Americans with no access to health care and a good number

of these individuals are children. Talk about a family issue. It is an all-American family issue. These 37 million Americans without health care and insurance in this country are from working families, 88 percent are from working families, so they are the workers of America that we are talking about.

What happens to people when they lose their jobs? They very often lose their health insurance and all the other benefits that sometimes go along with their jobs. These are workers who do not get health care as part of their benefits, 37 million.

In addition, we have 40 million Americans who are underinsured. For example, if an individual male has a policy that covers his family, and yet when his wife becomes pregnant, her pregnancy is not covered or having the child is not covered, that person is underinsured. That is just an example of the many elements of underinsurance.

I will bet if the average American reads all the fine lines of his or her health policy, he or she will find that one might be part of that underinsured 40 million Americans.

In addition, we have another 8 million Americans, and these are conservative estimates, who need long-term care.

What do we mean by long-term care? We ought to have a policy in this country that says that we guarantee health coverage from the cradle to when one passes away.

We have needs for home care services. A lot of people are institutionalized who do not belong in institutions and nursing homes if they had congregate services at home. They could have a visiting nurse come to them, if they could have a nutritionist or other doctor come to their home and help them or even help with homemaker services, for example.

We certainly demean our elderly and our children and our middle-aged people who need nursing care, because in order to get comprehensive nursing home care in this country, you have to be down and out poor. You have to lose everything before you can have as your right to get nursing home care in this country.

When we talk about long-term care, we are not just talking about care for the elderly. We have many, many families who have children that they want to take care of at home, children with chronic diseases, yet very often they have to institutionalize that child because they do not have the congregate services for the home.

We have 70-year-old kids taking care of 90-year-old parents, because the fastest growing population, and this should be good news, but it is not to many families, the fastest growing population are people over 85; so we have these 8 million.

So when you add it up, you have 85 million with little or no insurance.

Now, what do I want to do? What do I believe we should do based on my limited knowledge that I have, and I am still learning, let me tell you. But what do I think we ought to do?

First of all, I think it ought to be a right of every American, just as it is in Canada, in France, in Italy, in England, and the list goes on and on, Australia, Germany. It ought to be a right that every person in this country is comprehensively covered. But that is not enough.

We have to insure that the standard of our coverage is a high standard. So let us discuss that just for a couple minutes.

I believe strongly that the standard of coverage ought to have three components: acute care, in any outpatient care, hospital care and surgery, the kinds of things one usually identifies with insurance.

We ought to include prevention in our policies. We are way behind in terms of preventing disease or early detection, and that is true of public policies, like Medicare, which by the way covers 45 percent of an individual's needs, and I am a fan of Medicare, but you have to prove you have high blood pressure in order to get a free blood pressure check, but Medicare will pay for the stroke, and that is where all the cost is, plus the fact that you have the high risk, so we ought to include early detection.

I was instrumental, along with some of my colleagues who were very supportive of getting mammography coverage in Medicare, but I want mammography coverage and prostate screening for men. I want that type of coverage in every policy, whether it is public or private.

If you take the amount of savings that you have when you prevent a disease, when you get it at an early stage, you save millions of dollars.

As a matter of fact, I added all the amendments to the Pepper Commission report related to prevention and we found that over a 3-year period we would save $45 billion if policies, public or private, included preventive health care, and yet the insurance industry resists putting that in, because they only analyze budgets on a yearly basis.

Even in public policy, the CBO resists putting in mammography, because they refuse to analyze what happens if you do not detect breast cancer at an early stage. What happens is that it costs $10,000 or less when you catch it at an early stage. It costs $65,000 to $125,000 if you catch breast cancer at an advanced stage, and the risk to the person's life is much more acute; but you have to analyze that type of impact on a 3-year basis, not a 1-year basis, because you have to analyze what happens if the person does not detect a disease early.

Another area of prevention that we ought to have in every policy, and one of the things that is very disconcerting to me, is that the insurance industry is removing this benefit from their policies.

I was privileged to have Betty Ford and others testify before our Aging Committee, saying that we ought to have in every policy treatment for alcohol and drug abuse. We do not give up on people who have an alcoholic problem, but if they do not have any coverage so that they can get the treatment and then afterward join the AA and get that support system, what do we do? How do they get the support system that they need?

□ 2000

And yet we will pay for an individual who gets sclerosis of the liver or who gets a stroke or who gets high blood pressure from various problems related to substance abuse.

So that is another form of prevention. Wellness programs for children, is it not a scandal that we have a 100-percent higher infant mortality rate than Japan? We talk about competitiveness.

Mr. Speaker, my friend, the gentlewoman from Ohio, who is waiting to speak, is Chair of the Competitiveness Caucus. We cannot compete well if our people are worried about whether their children will be immunized against disease. And yet we will pay in policies for polio and tuberculosis and so forth. It does not make any sense to me that we do things backwards.

There is tremendous resistance to put that standard of coverage in public and private policies.

Another form of prevention that I want to see in every American policy and in public policy is I want to find a cure for diseases. It is outrageous to me that our budget has $34 billion for research for the Pentagon to find out more creative ways for star wars and how to form a better cluster bomb and a better missile to attack, and yet only spend $8.5 billion, less than a fourth, on finding cures for diseases.

We give the National Institutes of Health only $8.5 billion to find cures for diseases ranging from prostate cancer to breast cancer to heart problems, et cetera, also childhood diseases, leukemia, so on.

When are we going to start changing our priorities in this country? Do we think it is better to have more creative ways to destroy? We are destroying the health of our own people.

Mr. Speaker, let me give you an example because people always ask about the bottom line in terms of money: Take Alzheimer's disease, which is a prevalent disease. Families are the chief caregivers in this country for their loved ones.

Mr. Speaker, this usually affects those in the later middle ages to older people.

Now, Alzheimer's disease costs the American economy in out-of-pocket ex-

penses $90 billion per year. Now, who can afford it? And that leads, because families do not get a rest—that is, children do not get a rest when their parents have Alzheimer's—so sometimes they get cranky and it leads to abuse and other problems that we see because they just cannot cope with it.

Very often, families cannot afford to even institutionalize the individual because the average nursing home costs $25,000 or more per year. Now, who can afford that?

So we will spend the $90 billion on Alzheimer's and here are these marvelous, dedicated scientists who are so close to finding a cure, and we will only spend a couple of hundred million dollars on finding a cure.

We are absolutely pennywise and pound-foolish.

When you find cures to diseases like the epidemic in breast cancer, the prostate cancers, some of the heart problems and so forth, when you know more about what triggers people to become alcoholics and so forth, you save not only that person's life and improve the quality of that person's life and the impact that that has on the family, but you also save a lot of money when you cure diseases.

Interestingly enough, we spend more on health care and get less, and we have all these people without any insurance. We do not even have long-term care for our people. We have these millions of people who are underinsured. So as a result we spend more, not less, than Canada, than England, than France, than Australia, than Germany, and so on.

As a matter of fact, we spend 12.5 percent of our GNP, Canada 8.5 percent, England, France, and Italy spend about 8 percent, Japan spends 6.7 percent of their GNP.

Yet every single one of their citizens is insured and gets quality health care.

So here is what I want: I have introduced a bill that has a number of cosponsors, I introduced the first bill on universal health coverage that was comprehensive, after I completed my service on the Pepper Commission a year or so ago. It is H.R. 8, universal coverage. It includes a high standard of coverage, acute care, prevention, long-term care.

So the question always is how we are going to pay for it? The answer is, and I already mentioned that we spend 12.5 percent of our GNP, which is 4 or 5 percent more than other countries that provide it for every citizen, and the answer is we already pay for it. We pay $756 billion for health care in this country. And we have all of these underinsured and noninsured people.

How much of the pie is from private plans? We have private plans, the private insurance industry, and we have public plans.

Now, what do I mean by public plans? I mean plans that the Government sponsors or cosponsors, like Medicare, like Medicaid, public programs that States provide, veterans health benefits such as CHAMPUS, and the list goes on and on.

Cities have their own government health plans, like my own city of Cleveland does. They try to do what they can, but they do not have a big budget to accommodate all the people who need health care, but they are trying.

Now, of the $753 billion, private plans eat up $209 billion. So it really is about two-sevenths of the whole pie.

Most people think, honestly, that most of the plans are private. The fact is it is the Government that is already involved. People say, "Well, I don't want the Government involved." But the Government is involved. The problem is we have a piecemeal approach to this problem and we are not including long-term care, we are not including prevention. So we are very, very deficient and very uneconomical.

So, one might say, "Well, I don't want the Government involved because they don't do it as well as the private companies." Let me tell you something about the private companies, and I would probably want—and my bill does—keep insurance industry involved if they are not-for-profit.

Now, when I was growing up in Cleveland, OH, all the insurance policies, all the companies were not-for-profit. In other words, they could cover all their expenses, but they could not make any more profit after they paid all their employees and everybody made a good salary, et cetera. And they took care of their overhead.

Today, there is not one insurance company in my city of Cleveland, and I know that is true pretty much across the country, where you can get a policy from a company that is not-for-profit. They are all for-profit. I am not against anybody making a profit, but the fact is it is the consumer who pays for all these profits.

The public plan, take Medicare, and we did an analysis of this in the Pepper Commission, Medicare costs the consumer, the taxpayer, 10 percent or less for administrative costs. For private insurance plans, the consumer pays 20 to 25 percent for administrative costs. If the president of a company wants to buy a Jaguar and that is part of his benefit, you pay for it. If they want to take the full-page ads out to compete, it is the consumer who pays for all the advertising. If they want to invest and diversify, buy new buildings, and if it does not work out in terms of some of their investments, what do you think happens to your rates, because they are for-profit? The consumer pays for it.

In my city the poor senior citizens not only have Medicare coverage, but they need a couple of other policies; they get medigap and other policies to fill in the gaps. The rates go up and up, and they just cannot do it, they just cannot do it.

Let me tell you another way where public plans are better. I already mentioned that the public plans cost about 10 percent to administer. We did an analysis in the Pepper Commission. We put all the major insurance plans in the country, including private and public, on a chart, and we looked at Medicare as a sort of norm. By the way, Medicare is one of the better plans, and it only covers 45 percent of a person's needs when you compare it with the private insurance plan. In many cases, it is better.

□ 2010

We ask the question: How many times does Medicare reimburse the consumer compared to, or pay for a person's expenses, in other words, compared to the private insurance? And the answer was that on a scale of zero to the best private insurance policies, private policies reimbursed the consumer, on average, 60 percent of the time. Medicare reimburses on average 98 percent of the time.

Yes, it is true once in a while, because a Congress Member is the closest link people have to the Federal Government, once in a while consumers will call my office and say, "You know, I was supposed to get reimbursed under Medicare, and I didn't," and we will write a cover letter to see what happened. As my colleagues know, once in a while there is a hitch, but the fact is the public plan of Medicare reimburses far more often than a private plan.

So the question is: How should we then pay for this if we are spending $756 billion, which, by the way, includes $2,000 in out-of-pocket expenses for the elderly and about $1,200 in out-of-pocket expenses that are not covered by anything, by people under 65?

What I would do is I would recapture all the public plans, Medicare, Medicaid, veterans' benefits, et cetera, put them in one trust fund. We would have about $400 billion right there, and we would not scatter it all over the place. We would have it comprehensively in a trust fund, and I would make sure that is a great beginning, and then, if people did not need to buy the private plans, we would have $209 billion, and add that up. That is $609 billion plus the fact that the consumer would not have to have all those out-of-pocket expenses because they would have free physicals, they would have that mammogram, they would get that prostate screening, they would get the blood test needed to prevent the disease, they would get their child immunized, under the policy.

Would they have freedom of choice? Absolutely. They could choose their own doctor, but I would have a team of health professionals because I believe that nurses, for example, can give a

blood-pressure check as good as any doctor. I have nurses and doctors in my own family, and they tell me a nurse can do a lot of things that we get reimbursed for, and nurses can do that, and nutritionists should tell us more about the proper food and so forth.

I will have a lot more to say about my plan in a future speech, but I want to tell my colleagues that I think we can do better in this country. We can cover every American comprehensively, and we can do it cheaper. We can do it cheaper, and, believe me when I say that in my judgment, and I will say more on this in more detail, it will not cost taxpayers 1 cent more to cover every single person comprehensively. As a matter of fact, it will be cheaper, and I will say more about that in a future talk that I hope to give this week.

But let us join together and say, "My God, it's a moral issue that we cover our people with health care. That's a minimum we should be doing for the American people."

BANKING IMPASSE: GIVE US A DEMOCRATIC BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio [Ms. KAPTUR] is recognized for 60 minutes.

Ms. KAPTUR. Mr. Speaker, I wanted to compliment the gentlewoman from Ohio [Ms. OAKAR] for those excellent remarks on health insurance, a question which is on the mind of millions and millions of our people, those who feel they are being gouged with their current policies and the millions and millions of families that have no health insurance at all, and I think it is a credit to our State of Ohio that Ms. OAKAR has been one of the leaders at the cutting edge of trying to bring this issue before the American people, and she has fought a very hard battle for so many, many months, and we congratulate her and look forward to working with her in passing legislation that really solves this important question for all of our people.

I also wanted to commend the gentlewoman from Maryland [Mrs. BENTLEY], who was up here a few moments before talking about the issue of jobs in America and the problems of trade, especially with Japan, and I find it interesting, as we are closing out today's session, that three of our women Members are speaking, I being the third, and it is amazing to me what the Government can find money for and then what it cannot find money for, and, as I often say to the audiences that listed at this hour when some of our chairs are empty here, "You wonder why is that. It's because this is a chance that we have with no restrictions on time to really talk to you, the American people."

Mr. Speaker, tonight I want to talk about a banking bill that is likely to come before this Congress again, and again and again, certainly this week, but in months and weeks hence, and I guess my plea this evening is; it has been for quite a while, is to ask the leadership of this body and the other to give us a Democratic bill. That type of bill has not emerged on this floor during the entirety of the period that we have been discussing how to solve the banking crisis facing this Nation.

Mr. Speaker, last week, for those of my colleagues that are watching, we saw on November 14 this House of Representatives for the second time in a month defeat the Bush administration's banking bill. Now that bill was designed basically to give a blank check to commerical banks to tap the treasury of the United States through the Federal Deposit Insurance Corporation to the tune of $70 billion. An immediate $30 billion hit, and an additional $40 billion then in working capital.

As I said, it is amazing to see the bills that reach this floor and where the money is found to pay for all of that, yet for health insurance, for unemployment compensation, somehow those bills struggle, and languish in the corners here and can never quite eke their way to the floor.

Now Congress and all of those who serve here understand our obligation to protect the deposits of the American consumer in our Nation's savings and loans and banking institutions, but the question of a Member like myself is: At whose expense? Who should be paying to protect those deposits?

Mr. Speaker, essentially what has been happening is the administration's bill asks the taxpayers, the people listening, again to shoulder a banking bill bailout. Not so long ago those very same taxpayers were asked to shoulder a savings and loan bailout. Nearly two-thirds of House Democrats opposed the Bush administration's banking bill that was on this floor last week.

Now we know that the banks are hurting because they made bad foreign loans during the last decade, and they are currently in the midst of one of the worst recessions this country has faced, and we know that Wall Street is skittish. But the banking lobby and the Bush administration tells us, if we do not give the banks special access to the U.S. Treasury along with vastly broadened powers, my gosh, they are going to go out of business, and my answer to that is: Nonsense.

Mr. Speaker, I served on the Banking Committee for over 8 years and watched what happened in that committee and how banking bills were actually put together, the amendments that were defeated in the committee that never get to this floor. Tonight I want to say regarding expanded powers that the banks are seeking, "One decade ago the Congress carelessly deregulated the savings and loan industry and gave it new powers. It wasn't long before unscrupulous businessmen figured out how to bilk the system that was put in place as banking regulators here in the executive branch closed their eyes and then sent the bills due to the average American taxpayer."

Mr. Speaker, the new banking crisis is a look-alike S&L bailout. The U.S. taxpayer has already buoyed up failing S&L's to the tune of $110 billion. Our tax dollars going to pay for the damage just in that industry, and economists estimate that taxpayers will be asked to add as much as $115 billion, not million, billion dollars more to that total, and then the General Accounting Office tells us that the overall cost of the bailout may rise just for the savings and loans as high as $371 billion before it is all over.

□ 2020

The pit truly seems bottomless. In its votes this month the House demonstrated it has learned from its mistakes of a decade ago. It refused to hastily grant new expansive powers to commercial banks along with a blank check to the U.S. Treasury. The Bush administration should set aside its stream of expanded powers for the banks. Instead, it should focus on how to pay for the damage in this banking crisis as well as the S&L debacle which we have not dug our way out of yet, and it should do so on behalf of the American taxpayer, not the banking industry fat cats who sit in the Committee on Banking, Finance and Urban Affairs from one wall to the other on any day that that committee is in session.

The Bush bill is appallingly deficient on balancing taxpayer costs, the taxes the taxpayer is being asked to pay, with the benefits that go directly to the taxpayer. Yet to emerge from all the congressional debates and heat and gnashing of teeth on this matter is a real Democratic alternative to pay for the fundamental problems. In essence what has been happening here in Washington is that the Bush administration and the banking industry, in alliance with powerful States that have the most to gain from this administration's proposal, have succeeded, succeeded in diverting public attention away from the cost of the taxpayer bailout and who is paying for it, onto the expanded powers issue, which made the front pages of every business page in the country last week.

Meanwhile, the hidden interest payments on the Bush bond scheme to pay for the S&L mess and the anticipated bank bailouts flow out of the Treasury to the tune of billions each year, and the American taxpayer has nearly forgotten that this in fact is going on.

Alternative financing proposals have been quashed in various congressional committees. The tax committees in both Chambers, the Committee on

Ways and Means in this Chamber, essential to finding a fair solution to paying for this, have remained resoundingly silent. The reward to the banking industry for its efforts to stifle alternative solutions has been total defeat of its bills that have reached this floor.

I think in looking at the mood inside the House last week, it was one of anger and total frustration. Members of Congress like myself want a Democratic alternative bill that is fair to the average American taxpayer. They must benefit directly from the costs they are being asked to bear. There are plenty of ideas that hold promise. It is amazing to me that the financial press, the committees of jurisdiction, and brilliant economists have chosen to be so vastly uncreative in fashioning a fair answer for the American public who are paying the bill.

I want to just discuss three approaches this evening very briefly, the glimmers of some paths that can be taken to resolve this serious financial crisis in the banking and S&L industry. One part of the answer involves focusing on restoring healthy banks by encouraging more deposit inflows into those institutions. In this way, Federal policy could change from what it is today, merely propping up sick institutions and going bankrupt while you are doing it, to, rather, building healthy institutions.

For example, a proposal has been introduced in this House by my colleague, Congressman BILLY TAUZIN, called the Save America Act of 1989. This legislation exempts from taxable income interest up to a certain level earned in passbook savings accounts in federally insured institutions, so if you are a depositor out there and you put your money in a bank or a savings and loan or a credit union, up to a certain level the interest you earn would be tax free.

Now, we know that is not true today, but that tax incentive would create huge increased deposit flows to banks as well as savings and loans and other financial institutions like credit unions, and those very institutions would be able to improve their capitalization, they would be able to pay their assessments in taxes, they would be able to make safer investments, and most of all they would be able to cut their umbilical cord to the U.S. Treasury. Taxpayers would directly benefit from such an approach, and the costs that the taxpayers are currently paying would actually accrue back to them in the form of reduced tax payments to the Government of the United States.

Now, the institutions that would be benefiting from the deposit inflows would be asked to pay more in taxes, but that is only fair. And in this case the permission to remain in business and to receive increased deposit flows would be taxed by the Government and those taxes would go to pay for the bailout that is needed in the industry.

You do not hear much talk around here about how to make institutions more healthy. The talk always here is about how to prop up sick institutions, but that is not going to solve the problem.

A second set of choices involves how to democratize, and I like to use that word, the bond offerings that are currently in place to try to pay the cost of the bailout. Now, most of the American public does not realize that the way that this is being paid for currently is that every month the U.S. Treasury markets securities, and that the bailout bonds that are being used to pay for the insured accounts, depositors' accounts in institutions, are actually being floated by our Treasury Department.

In fact, these bonds are really not being sold to the average American taxpayers. What happens is that the majority of them are sold through 20 Wall Street bond houses which get really nice fees from the taxpayers for acting as intermediaries, and then those bond houses offer them to those who are in the buying public of bond buyers. Only about 10 percent of the people in our country currently purchase bonds. This certainly is not a very democratic system.

My idea would be to ask the Treasury Department to change the way that it markets and sells bonds, to make them broadly available to the American public. But I will tell you this, the Treasury Department will hate this idea. So will the Federal Reserve, because they have gotten real comfortable in dealing with those 20 bond houses, and you have seen recently how some of them have gotten in real trouble as a result of their finagling up on Wall Street and taking advantage of their special relationship.

But in view of the hemorrhage we are dealing with in this industry, U.S. taxpayers must be convinced that their sacrifices have a return, and if they are going to be asked to pay any of the bill on these banking messes, then by golly, the Treasury Department of this country which is asking them to pay for it should give them a benefit in the form of a bond that they can buy and earn the interest on. Business as usual at Treasury securities offerings can no longer prevail.

As a former member of the House Committee on Banking, Finance and Urban Affairs, I attempted to offer such a proposal when on the committee, but the proposal was ruled nongermane for the committee and more properly within the domain of the Committee on Ways and Means. Of course, that committee has remained silent throughout the entire deliberation on the banking mess that we are in.

The average citizen of our country does not even know where to go to buy a Treasury security. In fact, only 25 percent, just one quarter of U.S. households, even own savings bonds, and the U.S. Treasury continues to sell bonds through its cozy relationship with about a dozen and a half bond houses up in New York. It is really time to democratize the sale of U.S. Treasury securities through banks, through savings and loans, through credit unions. My gosh, we could even do it through post offices.

□ 2030

Let average Jane and Joe Citizen earn the 8 to 9 percent interest the big bond buyers enjoy. You know, America used to do that, until our financial industry became so concentrated. We have all seen what happened with Salomon Bros. recently when they took advantage of their special relationship with Treasury and all their big CEO's and presidents had to resign up there in New York.

Would it not be wonderful if bonds in denominations of as low as $25 could be made available to the ordinary consumer? You would think that is what the U.S. Treasury Department, which collects taxes from every one of those consumers, you would think that would be the business they were in.

Not so. The U.S. Treasury, which loves to collect taxes from U.S. citizens, should be directed in a bill that comes out of this House, a Democratic bill, to design a bond offering to benefit the taxpayers footing this bill.

A third set of choices in how to dig ourselves out from under the S&L mess involves targeted taxes and plugging tax loopholes to raise the needed revenue. Over a 5-year period it would be reasonable to impose temporary surtaxes across the financial services industry which benefited from the S&L scam and bank transactions.

It is really amazing that no such idea has been offered yet. but if you watch the corridors of power in Washington, you can understand why. Instead, hardworking taxpayers struggling to get by in this recession, American people who are unemployed in my district and cannot even get the benefits of more than 6 weeks of unemployment compensation, are being asked to shoulder the load of this banking mess.

Two members of the House Committee on Ways and Means, the gentleman from North Dakota [Mr. DORGAN] and the gentleman from New Jersey [Mr. GUARINI], have introduced a bill to plug tax loopholes for savings and loan owners that would recoup up to $5 billion by avoiding something called double-dipping in tax submissions by those institutions.

These funds could also then be applied to the amounts needed to salvage current problems within the banking industry. The gentleman from Massa-

chusetts [Mr. DONNELLY] has introduced legislation to recapture overgenerous tax breaks which the S&L's received in 1988. I have been pushing legislation with the gentleman from Michigan [Mr. WOLPE] that passed in the Committee on Banking, Finance and Urban Affairs, but somehow never made it onto this floor, what would make States pay for the proportion of the cleanup which their own failed thrifts caused by requiring those States that incurred excessive costs to pay an extra Federal deposit insurance premium if the thrifts want to remain federally insured.

The gentleman from Pennsylvania [Mr. KANJORSKI] has introduced legislation to permit private civil suits to be filed to recover funds from those who have plundered our nation's savings and loans. The gentleman from Massachusetts [Mr. KENNEDY] proposes to levy a tax on those who enjoyed the benefits of our financial system through the Fed Wire and Clearinghouse Interbank Payment System that would raise billions annually.

Mr. Speaker, I bring up these examples in the tax system merely to point out that money could be raised in alternative ways to pay for the savings and loan and banking crisis. Those bills have not been permitted here on the floor.

The initiatives I talked about tonight are just some of the ideas that could be packaged in a Democratic alternative. Let us ignore the demands of the Bush administration on behalf of well-heeled lobbyists and huge financial interests. Let us put together a bill that helps our real constituents—average Americans, sick of paying for the high times and the cunning of the few during the 1980's. Let us break the banking impasse and bring a Democratic bill to the floor of this House.

COMMUNICATION FROM THE CHAIRMAN OF THE COMMITTEE ON THE BUDGET REGARDING CURRENT LEVEL OF SPENDING AND REVENUES FOR FISCAL YEARS 1992–96

(Mr. PANETTA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PANETTA. Mr. Speaker, on behalf of the Committee on the Budget and as chairman of the Committee on the Budget, pursuant to the procedures of the Committee on the Budget and section 311 of the Congressional Budget Act of 1974, as amended, I am submitting for printing in the CONGRESSIONAL RECORD the official letter to the Speaker advising him of the current level of revenues for fiscal years 1992 through 1996 and spending for fiscal year 1992. Spending levels for fiscal years 1993 through 1996 are not included because annual appropriations acts for those years have not been enacted.

This is the first report of the first session of the 102d Congress for fiscal year 1992. This report is based on the aggregate levels and committee allocations for fiscal years 1992 through 1996 as contained in House Report 102–69, the conference report to accompany House Concurrent Resolution 121.

The term "current level" refers to the estimated amount of budget authority, outlays, entitlement authority, and revenues that are available—or will be used—for the full fiscal year in question based only on enacted law.

The continuing resolution for fiscal year 1992 provides for operation of applicable programs where the regular Appropriations Act for fiscal year 1992 has not become law. The continuing resolution extends until November 26, 1991, except that foreign operations programs are continued until March 31, 1992. The Interior and related agencies appropriation bill (H.R. 2686) was signed into law on November 13, 1991 and the Labor/HHS/Education and related agencies conference report has been ratified and is included in this report at the conference report levels.

As chairman of the Budget Committee, I intend to keep the House informed regularly on the status of the current level.

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE BUDGET,
Washington, DC, November 18, 1991.

Hon. THOMAS S. FOLEY,
Speaker,
U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: To facilitate enforcement under sections 302 and 311 of the Congressional Budget Act, as amended, I am herewith transmitting the status report on the current level of revenues for fiscal years 1992 through 1996 and spending estimates for fiscal year 1992, under H. Con. Res. 121, the Concurrent Resolution on the Budget for Fiscal Year 1992. Spending levels for fiscal years 1993 through 1996 are not included because annual appropriations acts for those years have not been enacted.

The enclosed tables also compare enacted legislation to each committee's 602(a) allocation of discretionary new budget authority and new entitlement authority. The 602(a) allocations to House Committees made pursuant to H. Con. Res. 121 were printed in the statement of managers accompanying the conference report on the resolution (H. Report 102–69).

Sincerely,

LEON E. PANETTA,
Chairman.

REPORT TO THE SPEAKER OF THE U.S. HOUSE OF REPRESENTATIVES FROM THE COMMITTEE ON THE BUDGET ON THE STATUS OF THE FISCAL YEAR 1992 CONGRESSIONAL BUDGET ADOPTED IN HOUSE CONCURRENT RESOLUTION 121 REFLECTING COMPLETED ACTION AS OF NOV. 14, 1991

[On-budget amounts, in millions of dollars]

	Fiscal year—	
	1992	1992–95
Appropriate level:		
Budget authority	1,269,300	6,591,900
Outlays	1,201,600	6,134,100
Revenues	850,400	4,832,000
Current level:		
Budget authority	1,227,704	NA
Outlays	1,189,829	NA
Revenues	850,398	4,810,000
Current Level over(+)/under(−) appropriate level:		
Budget authority	−41,596	NA
Outlays	−11,771	NA
Revenues	−2	−22,000

Note.—NA=not applicable because annual appropriations acts for those years have not been enacted.

BUDGET AUTHORITY

Any measure that provides new budget or entitlement authority, that is not included in the current level estimate, and that exceeds $41,596 million in budget authority for fiscal year 1992, if adopted and enacted, would cause the appropriate level of budget authority for that year as set forth in H. Con. Res. 121, to be exceeded.

OUTLAYS

Any measure that provides new budget or entitlement authority, that is not included in the current level estimate, and that exceeds $11,771 million in outlays for fiscal 1992, if adopted and enacted, would cause the appropriate level of outlays for that year as set forth in H. Con. Res. 121, to be exceeded.

REVENUES

Any measure that would result in a revenue loss that is not included in the current level revenue estimate for fiscal year 1992, if adopted and enacted, would cause revenues to the less than the appropriate level for that year as set forth in H. Con. Res. 121. Any measure that would result in a revenue loss that is not included in the current level revenue estimate for fiscal years 1992 through 1996, if adopted and enacted, would cause revenues to be less than the appropriate level for those years as set forth in H. Con. Res. 121.

DISCRETIONARY APPROPRIATIONS, FISCAL YEAR 1992

[In millions of dollars]

	Revised 602(b) subdivisions		Latest current level		Difference	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
Commerce-Justice-State-Judiciary	21,070	20,714	21,029	20,708	−41	−6
Defense	270,244	275,222	246,298	263,874	−23,946	−11,348
District of Columbia	700	690	700	690	0	0
Energy and water development	21,875	20,770	21,875	20,720	0	−50
Foreign operations	15,285	13,556	14,262	13,200	−1,023	−356
Interior	13,102	12,050	12,892	12,049	−210	−1
Labor, Health and Human Services, and Education	59,087	57,797	59,016	57,763	−71	−34
Legislative	2,344	2,317	2,343	2,310	−1	−7
Military construction	8,564	8,482	8,563	8,433	−1	−49
Rural Development, Agriculture, and Related Agencies	12,299	11,226	12,299	11,223	0	−3
Transportation	13,765	31,800	13,762	31,799	−3	−1
Treasury-Postal Service	10,825	11,120	10,824	11,119	−1	−1

DISCRETIONARY APPROPRIATIONS, FISCAL YEAR 1992—Continued

[In millions of dollars]

	Revised 602(b) subdivisions		Latest current level		Difference	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
VA–HUD–Independent Agencies	63,953	61,714	63,942	61,711	−11	−3
[1]Grand total	513,113	527,458	487,805	515,599	−25,308	−11,859

DIRECT SPENDING LEGISLATION

[Fiscal years, in millions of dollars]

	1992		NEA	1992–96		
	Budget authority	Outlays		Budget authority	Outlays	NEA
House committee:						
Agriculture:						
Appropriate level	0	0	0	3,720	3,540	4,716
Current level	0	0	0	0	0	0
Difference				−3,720	−3,540	−4,716
Armed Services:						
Appropriate level	0	0	0	0	0	0
Current level	0	0	0	0	0	0
Difference						
Banking, Finance and Urban Affairs:						
Appropriate level	0	0	0	0	0	0
Current level	0	0	0	0	0	0
Difference						
District of Columbia:						
Appropriate level	0	0	0	0	0	0
Current level	0	0	0	0	0	0
Difference						
Education and Labor:						
Appropriate level	0	0	56	0	0	20,153
Current level	−46	−46	0	0	0	0
Difference	−46	−46	−56	0	0	−20,153
Energy and Commerce:						
Appropriate level	0	0	0	0	0	0
Current level	0	0	0	0	0	0
Difference						
Foreign Affairs:						
Appropriate level	0	0	0	0	0	0
Current level	0	0	0	0	0	0
Difference						
Government Operations:						
Appropriate level	0	0	0	0	0	0
Current level	0	0	0	0	0	0
Difference						
House Administration:						
Appropriate level	0	0	0	0	0	0
Current level	0	0	0	0	0	0
Difference						
Interior and Insular Affairs:						
Appropriate level	0	0	0	0	0	0
Current level	0	0	0	0	0	0
Difference						
Judiciary:						
Appropriate level	0	0	0	0	0	0
Current level	0	0	0	0	0	0
Difference						
Merchant Marine and Fisheries:						
Appropriate level	0	0	0	0	0	0
Current level	0	0	0	0	0	0
Difference						
Post Office and Civil Service:						
Appropriate level	0	0	0	0	0	0
Current level	0	0	0	0	0	0
Difference						
Public Works and Transportation:						
Appropriate level	16,358	0	0	117,799	0	0
Current level	0	0	0	0	0	0
Difference	−16,358			−117,799	0	0
Science, Space, and Technology:						
Appropriate level	0	0	0	0	0	0
Current level	0	0	0	0	0	0
Difference						
Small Business:						
Appropriate level	0	0	0	0	0	0
Current level	0	0	0	0	0	0
Difference						
Veterans' Affairs:						
Appropriate level	0	0	484	0	0	6,811
Current level	[1]	5	378	0	0	2,182
Difference	[1]	+5	−106	0	0	−4,629
Ways and Means:						
Appropriate level	0	0	0	0	0	620
Current level	0	0	0	0	0	0
Difference						−620
Permanent Select Committee on Intelligence:						
Appropriate level	0	0	0	0	0	0
Current level	0	0	[1]	0	0	0
Difference						

[1] Less than $500,000.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, November 18, 1991.

Hon. LEON E. PANETTA,
Chairman, Committee on the Budget, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to section 308(b) and in aid of section 311 of the Congressional Budget Act, as amended, this letter and supporting detail provide an up-to-date tabulation of the on-budget current levels of new budget authority, estimated outlays, and estimated revenues in comparison with the appropriate levels for those items contained in the 1992 Concurrent Resolution on the Budget (H.Con.Res. 121). This report, my first for fiscal year 1992, is tabulated as of close of business November 14, 1991. A summary of this tabulation follows:

[In millions of dollars]

	House current level	Budget resolution (H.Con.Res.121)	Current level +/− resolution
Budget authority	1,227,704	1,269,300	−41,596
Outlays	1,189,829	1,201,600	−11,771
Revenues:			
1992	850,398	850,400	−2
1992–96	4,810,000	4,832,000	−22,000

Sincerely,

ROBERT D. REISCHAUER,
Director.

PARLIAMENTARIAN STATUS REPORT 102D CONGRESS, 1ST SESS., HOUSE ON-BUDGET SUPPORTING DETAIL FOR FISCAL YEAR 1992 AS OF CLOSE OF BUSINESS NOV. 14, 1991

[In millions of dollars]

	Budget authority	Outlays	Revenues
ENACTED IN PREVIOUS SESSIONS			
Revenues			850,405
Permanent appropriations	784,794	723,520	
Outlays from prior year appropriations		234,906	
Offsetting receipts	(186,675)	(186,675)	
Total enacted in previous sessions	598,120	771,751	850,405
ENACTED THIS SESSION			
Appropriation legislation:			
Agriculture (Public Law 102–142)	51,219	36,382	
Commerce-Justice (Public Law 102–140)	21,425	16,016	
Offsetting receipts	(119)	(119)	
District of Columbia (Public Law 102–140)	700	690	
Energy and water (Public Law 102–104)	21,875	12,961	
Interior (Public Law 102–154)	12,253	7,949	
Legislative branch (Public Law 102–90)	2,309	2,063	
Military construction (Public Law 102–136)	8,563	2,931	
Transportation (Public Law 102–143)	14,302	12,217	
Treasury-Postal Service (Public Law 102–141)	19,695	17,027	
Offsetting receipts	(6,079)	(6,079)	
Veterans, HUD (Public Law 102–139)	80,941	42,469	
Emergency supplemental for humanitarian assistance (Public Law 102–55)		1	
Dire emergency supplemental appropriations, 1991 (Public Law 102–27)		511	
Other spending legislation:			
Extending IRS deadline for Desert Storm troops (Public Law 102–2)			(5)
Veterans' education, employment and training amendments (Public Law 102–16)	1	1	
Higher education technical amendments (Public Law 102–26)	(56)	(56)	
Veterans' Health Care Personnel Act (Public Law 102–40)		1	
Veterans' housing and memorial affairs (Public Law 102–54)		5	
Veterans' Benefits Improvement Act (Public Law 102–86)	2	2	
Intelligence Authorization Act (Public Law 102–88)	1	1	1
Veterans' educational assistance amendments (Public Law 102–127)		1	
Extend most favored nation status to Bulgaria (Public Law 102–158)			(2)
Discretionary estimating adjustment	(233)	(5,823)	
Total enacted this session	226,795	139,145	(7)
PENDING SIGNATURE			
Labor, HHS, Education (H.R. 2707)	182,964	146,777	
Offsetting receipts	(39,421)	(39,421)	
Total pending signature	143,543	107,356	
CONTINUING RESOLUTION AUTHORITY, PUBLIC LAW 102–163			
Defense (expires November 26, 1991)	246,462	165,173	
Foreign Operations (expires March 31, 1992)	14,034	5,496	
Offsetting receipts	(41)	(41)	
Total continuing resolution authority	260,454	170,627	
MANDATORY ADJUSTMENTS			
Entitlement authority and other mandatory adjustments required to conform with current law estimates in budget resolution	(1,207)	950	
Total current level	1,227,704	1,189,829	850,398
Total budget resolution	1,269,300	1,201,600	850,400
Amount remaining:			
Over budget resolution			
Under budget resolution	41,596	11,771	2

[1] Less than $500,000.

[2] This Act increased the current law estimate for Veterans compensation by $3 million and is included in the Veterans-HUD appropriations bill.

Note.—Numbers may not add due to rounding.

CONFERENCE REPORT ON H.R. 2521

Mr. MURTHA submitted the following conference report and statement on the bill (H.R. 2521) making appropriations for the Department of Defense for the fiscal year ending September 30, 1992, and for other purposes:

[The conference report on H.R. 2521 will appear in a subsequent issue of the RECORD.]

CONFERENCE REPORT (H. REPT. 102–328)

The Committee of Conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2521) "making appropriations for the Department of Defense for the fiscal year ending September 30, 1992, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 11, 28, 30, 35, 49, 52, 69, 71, 72, 73, 75, 77, 79, 94, 101, 116, 124, 130, 139, 147, 182, 186, 188, 189, 191, 192, 194, 197, and 198.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 6, 13, 15, 16, 17, 18, 20, 23, 24, 25, 27, 32, 34, 36, 37, 38, 40, 41, 42, 44, 45, 46, 47, 48, 50, 51, 53, 59, 62, 65, 76, 81, 84, 90, 95, 108, 109, 112, 114, 118, 119, 121, 123, 126, 128, 136, 140, 142, 143, 144, 152, 153, 154, 155, 159, 160, 161, 167, 173, 175, 177, 178, 179, 184.

Amendment numbered 1:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$24,176,100,000*; and the Senate agree to the same.

Amendment numbered 3:

That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$19,602,967,000*; and the Senate agree to the same.

Amendment numbered 4:

That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$6,065,560,000*; and the Senate agree to the same.

Amendment numbered 5:

That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert: *$18,868,300,000*; and the Senate agree to the same.

Amendment numbered 7:

That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$1,714,600,000*; and the Senate agree to the same.

Amendment numbered 8:

That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$348,900,000*; and the Senate agree to the same.

Amendment numbered 9:

That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$718,900,000*; and the Senate agree to the same.

Amendment numbered 10:

That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$3,326,700,000*; and the Senate agree to the same.

Amendment numbered 12:

That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$17,722,903,000*; and the Senate agree to the same.

Amendment Numbered 14:

That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert: *: Provided, That $350,000 shall be made available for the 1992 Memorial Day Celebration and $350,000 shall be made available for the 1992 Capitol Fourth Project: Provided further, That notwithstanding section 2805 of title 10, United States Code, of the funds appropriated herein, $4,000,000 shall be made available only for a grant to the National D-Day Museum Foundation, and*

$4,000,000 shall be made available only for a grant to the Airborne and Special Operations Museum Foundation. These funds shall be made available solely for project costs and none of the funds are for remuneration of any entity or individual associated with fund raising for the project: Provided further, That $350,000 shall be made available only to the Oregon Department of Economic Development: Provided further, That $38,000,000 shall be available only for procurement of the Extended Cold Weather Clothing System (ECWCS) and $2,000,000 shall be made available only for the procurement of intermediate cold-wet weather boots: Provided further, That of the funds appropriated under this paragraph, the Secretary of the Army shall make a direct grant of $22,000,000 to the Silver Valley Unified School District, Yermo, California, and $10,000,000 to the Cumberland County School Board, Fayetteville, North Carolina, for support of the construction of public school structures, to be located on military facilities, sufficient to accommodate predominantly the dependents of members of the Armed Forces and dependents of Department of Defense employees employed at Fort Irwin, California, and Fort Bragg, North Carolina. The Secretary may require such terms and conditions in connection with the grants authorized by this section as the Secretary considers appropriate ; and the Senate agree to the same.

Amendment numbered 19:

That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$21,079,548,000* ; and the Senate agree to the same.

Amendment numbered 21:

That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows:

Restore the matter stricken and retain the matter inserted by said amendment, amended as follows:

At the end of the matter retained by said amendment, before the period, insert the following new provisions: *: Provided further, That of the funds appropriated under this heading, $300,000 shall be made available only for the deaccession, reinterment, and reburial of ancestral skeletal remains at Mokapu, Hawaii: Provided further, That of the funds appropriated under this heading, the Navy shall provide for the transportation of U.S.S. Bennington accoutrements from China Lake Naval Air Station, California, to Bennington, Vermont: Provided further, That the Navy should maintain the existing share of ship repair and maintenance work between public and private sector ship repair facilities, consistent with national security requirements: Provided further, That of the funds appropriated under this heading, $1,600,000 shall be made available only for the renovation of the submarine U.S.S. Blueback for use by the Oregon Museum of Science and Industry upon the determination of the Secretary of the Navy that the renovation is in the interest of national security: Provided further, That of the funds made available in Public Law 102-139, the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1992, to the National Science Foundation, "Research and related activities", $5,000,000 is rescinded. In addition, an aggregate total of $70,000,000 of funds available to the National Science Foundation and the Department of Housing and Urban Development are hereby rescinded: Provided, That said $70,000,000 shall be derived in whole or in part from funds available in either or both of the following two sources: National Science Foundation, under the heading "Research and related activities" and the Department of Housing and Urban Development, under the heading "Annual contributions for assisted housing" from funds made available in prior years for nonincremental section 8 purposes and that were unreserved and unobligated at the end of fiscal year 1991: Provided further, that no funds available or provided for the National Science Foundation for Arctic research programs in the above Act or any other Act may be reduced or rescinded under the terms of this provision* ; and the Senate agree to the same.

Amendment numbered 22:

That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$1,892,110,000* ; and the Senate agree to the same.

Amendment numbered 26:

That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$17,180,259,000* ; and the Senate agree to the same.

Amendment numbered 29:

That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert: *$16,408,161,000, of which not to exceed $25,000,000 may be available for the CINC initiative fund account; and of which*; and the Senate agree to the same.

Amendment numbered 31:

That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert: *: Provided, That of the funds appropriated by this paragraph, $752,835,000 shall be made available for the Special Operations Command: Provided further, That of the funds appropriated in this paragraph, $37,000,000 shall be made available only to maintain the operations and personnel levels of a 100-bed facility at Letterman Hospital at the Presidio, in San Francisco, California, and $6,000,000 shall be made available for the San Francisco Medical Command to provide for angioplasty services, increased pharmacy costs, and a 100-mile catchment area for cardiac surgery at Oakland Naval Hospital to compensate for the reduced services at Letterman Hospital: Provided further, That of the funds appropriated under this heading, $1,000,000 shall be made available to the Office of the Secretary of Defense only for the development and establishment of gainsharing projects: Provided further, That of the funds appropriated under this heading, $750,000 shall be made available only for the conduct and preparation of an inventory of all the real property in the State of Hawaii that is owned or controlled by the United States Department of Defense and its components: Provided further, That of the funds appropriated under this heading, $5,000,000 shall be made available only for the establishment and administration of a commission, to be known as the "Defense Conversion Commission": Provided further, That:*

(a) Of the funds appropriated under this heading not less than $25,000,000 shall be made available only for the continued implementation of the Legacy Resource Management Program: Provided, That of this amount, not less than $10,000,000 shall be made available only for use in implementing cooperative agreements to identify, document, and maintain biological diversity on military installations: Provided further, That funds appropriated for the Legacy Resource Management Program shall be made available for the purposes set forth in section 8120 of Public Law 101-511 as amended by this proviso and for implementing such cooperative agreements as may be concluded between the Department of Defense and other governmental and nongovernmental organizations or entities: Provided further, That the Deputy Assistant Secretary of Defense (Environment) shall provide the Committees on Appropriations with a report on the status of the Legacy Program and a five year plan for its development no later than June 30, 1992.

(b) Sections 8120 (c) and (d) of the Department of Defense Appropriations Act, 1991 (Public Law 101-511; 104 Stat. 1905) are each amended by striking "Deputy Assistant Secretary of Defense for Environment" and inserting "Deputy Assistant Secretary of Defense (Environment)" in lieu thereof.

(c) Section 8120(d) of the Department of Defense Appropriations Act, 1991 (Public Law 101-511; 104 Stat. 1905), as amended by subsection (a), is further amended by—

(1) striking out "seek the participation of" and inserting "involve" in lieu thereof, and

(2) by adding the following new sentences at the end of such section: "He shall also involve State and local agencies and not-for-profit organizations with special expertise in areas related to the purposes of the Legacy Program. Services of State and local agencies and not-for-profit organizations may be obtained by contract, cooperative agreement, or grant to assist the Department of Defense in fulfilling the purposes of the Legacy Program.": Provided further, That of the funds appropriated in this paragraph, $300,000 shall be provided to the Maryland Hospital Association for a demonstration project to assist military personnel in becoming health care employees: Provided further, That $600,000 shall be provided only for two Post-Traumatic Stress Disorder Treatment Centers, one to be located in the State of Hawaii, and one to be located in Greensburg, Pennsylvania, for the purpose of treating military personnel, dependents, and other personnel in post-traumatic stress disorders; and the Senate agree to the same.

Amendment numbered 33:

That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$968,200,000*; and the Senate agree to the same.

Amendment numbered 39:

That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$1,078,700,000*; and the Senate agree to the same.

Amendment numbered 43:

That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$2,281,300,000*; and the Senate agree to the same.

Amendment numbered 54:

That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment, as follows:

In lieu of the sum named in said amendment insert: *$500,000,000*; and the Senate agree to the same.

Amendment numbered 55:

That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$1,692,800,000*; and the Senate agree to the same.

Amendment numbered 56:

That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$1,006,462,000*; and the Senate agree to the same.

Amendment numbered 57:

That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$1,111,096,000*; and the Senate agree to the same.

Amendment numbered 58:

That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$1,369,080,000*; and the Senate agree to the same.

Amendment numbered 60:

That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$3,063,799,000*; and the Senate agree to the same.

Amendment numbered 61:

That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$6,948,620,000*; and the Senate agree to the same.

Amendment numbered 63:

That the House recede from its disagreement to the amendment of the Senate numbered 63, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert: , *as follows:*

Ballistic Missile Programs, $1,204,166,000;

Other Missile Programs, $2,203,324,000;

Torpedoes and Related Equipment, $689,456,000;

Other Weapons, $130,123,000;

Other Ordnance, $227,573,000;

Other, $107,979,000;

In all: $4,562,621,000; and the Senate agree to the same.

Amendment numbered 64:

That the House recede from its disagreement to the amendment of the Senate numbered 64, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert: , *as follows:*

SSN–21 attack submarine program, $1,903,225,000;

DDG–51 destroyer program, $4,107,688,000;

MHC coastal mine hunter program, $341,096,000;

T–AGOS surveillance ship program, $149,000,000;

AOE combat support ship program, $500,000,000;

LCAC landing craft air cushion program, $504,000,000;

TAGS 39/40 program, $55,000,000: Provided, That the Secretary of the Navy shall obligate $55,000,000 to increase the price of the tags 39 and 40 contract and pay the contractor which built and delivered the TAGS 39 and 40 if the Secretary reviews the matter and determines there is justification to make such payment;

Sealift ship program, $600,000,000;

For craft, outfitting, post delivery, and DBOF transfer, $423,921,000;

For escalation, $463,600,000;

For first destination transportation, $5,939,000;

In all: $9,153,287,000; and the Senate agree to the same.

Amendment numbered 66:

That the House recede from its disagreement to the amendment of the Senate numbered 66, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$6,432,463,000*; and the Senate agree to the same.

Amendment numbered 67:

That the House recede from its disagreement to the amendment of the Senate numbered 67, and agree to the same with an amendment, as follows:

In lieu of the matter inserted by said amendment insert: : *Provided, That funds appropriated in this paragraph for procurement of the Enhanced Modular Signal Processor may be obligated for such procurement under a multiyear contract, in accordance with the requirements of Section 8013 of this Act*; and the Senate agree to the same.

Amendment numbered 68:

That the House recede from its disagreement to the amendment of the Senate numbered 68, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$1,079,951,000*; and the Senate agree to the same.

Amendment numbered 70:

That the House recede from its disagreement to the amendment of the Senate numbered 70, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$10,412,350,000*; and the Senate agree to the same.

Amendment numbered 74:

That the House recede from its disagreement to the amendment of the Senate numbered 74, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$5,235,450,000*; and the Senate agree to the same.

Amendment numbered 78:

That the House recede from its disagreement to the amendment of the Senate numbered 78, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$8,068,104,000*; and the Senate agree to the same.

Amendment numbered 80:

That the House recede from its disagreement to the amendment of the Senate numbered 80, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$1,877,800,000*; and the Senate agree to the same.

Amendment numbered 82:

That the House recede from its disagreement to the amendment of the Senate numbered 82, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$2,250,826,000*; and the Senate agree to the same.

Amendment numbered 83:

That the House recede from its disagreement to the amendment of the Senate numbered 83, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment amended to read as follows: , *of which $981,730,000 shall be available for the Special Operations Command*; and the Senate agree to the same.

Amendment numbered 85:

That the House recede from its disagreement to the amendment of the Senate numbered 85, and agree to the same with an amendment, as follows:

Delete the matter stricken and delete the matter inserted by said amendment; and the Senate agree to the same.

Amendment numbered 86:

That the House recede from its disagreement to the amendment of the Senate numbered 86, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$6,562,672,000*; and the Senate agree to the same.

Amendment numbered 87:

That the House recede from its disagreement to the amendment of the Senate numbered 87, and agree to the same with an amendment, as follows:

In lieu of the matter stricken by said amendment insert: , *of which not less than $6,300,000 is available only for the Vectored Thrust Combat Agility Demonstrator flight test program utilizing the Vectored Thrust Ducted Propeller upon successful completion of Phase I of this demonstration project: Provided, That $2,000,000 shall be made available only to establish a Center for Prostate Disease Research at the Walter Reed Army Institute of Research: Provided further, That not less than $10,000,000 of the funds appropriated in this paragraph shall be made available as a grant only to the Louisiana State University, Louisiana for the Neuroscience Center of Excellence for laboratory and other efforts associated with research, development and other programs of major importance to the Department of Defense*; and the Senate agree to the same.

Amendment numbered 88:

That the House recede from its disagreement to the amendment of the Senate numbered 88, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$8,557,635,000*; and the Senate agree to the same.

Amendment numbered 89:

That the House recede from its disagreement to the amendment of the Senate numbered 89, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment amended to read as follows: : *Provided, That for continued research and development programs at the National Center for Physical Acoustics, centering on ocean acoustics as it applies to advanced anti-submarine warfare acoustics issues with focus on ocean bottom acoustics seismic coupling, sea-surface and bottom scattering, oceanic ambient noise, underwater sound propagation, bubble related ambient noise, acoustically active surfaces, machinery noise, propagation physics, solid state acoustics, electrorheological fluids, transducer development, ultrasonic sensors, and other such projects as many be agreed upon, $1,000,000 shall be made available, as a grant, to the Mississippi Resource Development Corporation, of which not to exceed $250,000 of such sum may be used to provide such special equipment as may be required for particular projects: Provided further, That none of the funds appropriated in this paragraph are available for development of upgrades to the Surveillance Towed Array Sensor System that do not include the AN/UYS–2*

Enchanced Modular Signal Processor: Provided further, That of the funds appropriated in this paragraph, $221,000,000 is available only for the Ship Self-Defense program which may be obligated only if it has a single program manager who is fully responsible and accountable for its execution; and the Senate agreed to the same.

Amendment numbered 91:

That the House recede from its disagreement to the amendment of the Senate numbered 91, and agreed to the same with an amendment, as follows:

After the word "*Provided*" named in said amendment insert: *further*; and the Senate agree to the same.

Amendment numbered 92:

That the House recede from its disagreement to the amendment of the Senate numbered 92, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$14,077,834,000*; and the Senate agree to the same.

Amendment numbered 93:

That the House recede from its disagreement to the amendment of the Senate numbered 93, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert: , *of which not less than $30,000,000 is available only for the National Center for Manufacturing Sciences: Provided, That not less than $2,500,000 of the funds appropriated in this paragraph are available only for continuing the research program on development of coal based high thermal stability and endothermic jet fuels, including exploratory studies on direct conversion of coal to thermally stable jet fuels: Provided further, That $8,000,000 of the funds appropriated in this paragraph shall be made available only for a side-by-side evaluation of the ALR 56M and the ALR 62I radar warning receivers: Provided further, That none of the funds appropriated by this paragraph may be used for the B-1B ALQ 161 CORE program or an advanced radar warning receiver, except for costs associated with the side-by-side testing of the ALR 56M and the ALR62I: Provided further, That $5,700,000 shall be made available only for the U.S./U.S.S.R. Joint Seismic Program administered by the Incorporated Research Institutions for Seismology: Provided further, That not less than $10,000,000 of the funds appropriated in this paragraph shall be made available as a grant only to Marywood College, Pennsylvania for laboratory and other efforts associated with research, development and other programs of major importance to the Department of Defense: Provided further, That of the funds appropriated in this paragraph, $10,000,000 shall be made available only for the modernization and upgrade of the Poker Flat Rocket Range: Provided further, That of the funds appropriated in this paragraph, $19,500,000 shall be made available in the SPACETRACK program element only to establish an image information processing center, including a computer facility built around newly emerging massively parallel computing technology, co-located with the Air Force Maui Optical Station and the Maui Optical Tracking Facility*; and the Senate agree to the same.

Amendment numbered 96:

That the House recede from its disagreement to the amendment of the Senate numbered 96, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert: *$9,978,305,000, to remain available for obligation until September 30, 1993*; and the Senate agree to the same.

Amendment numbered 97:

That the House recede from its disagreement to the amendment of the Senate numbered 97, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert: , *of which $298,316,000 shall be available for the Special Operations Command: Provided, That not less than $171,000,000 of the funds appropriated in this paragraph are available only for the Extended Range Interceptor (ERINT) missile: Provided further, That not less than $60,000,000 of the funds appropriated in this paragraph are available only for the Arrow Continuation Experiments: Provided further, That not less than $145,500,000 of the funds appropriated in this paragraph are available only for the Patriot missile program: Provided further, That not less than $10,000,000 of the funds appropriated in this paragraph shall be made available as a grant to the National Biomedical Research Foundation for laboratory efforts associated with major research programs in neurology, oncology, virology, cardiology, pediatrics and associated specialty areas of critical importance to the Veterans Administration and the Department of Defense: Provided further, That not less than $10,000,000 of the funds appropriated in this paragraph and not less than $7,000,000 of the funds appropriated in Public Law 101-511 for Research, Development, Test and Evaluation, Defense Agencies shall be available only for an Experimental Program to Stimulate Competitive Research (EPSCOR) in the Department of Defense which shall include all States eligible for the National Science Foundation Experimental Program to Stimulate Competitive Research: Provided further, That none of the funds in this paragraph may be obligated for the development of the Superconductive Magnetic Energy Storage system unless its processes, materials, and components are substantially manufactured in the United States: Provided further, That of the funds appropriated in Public Law 101-511 for Research, Development, Test and Evaluation, Defense Agencies, any unobligated funds provided for the Superconductive Magnetic Energy Storage system shall be obligated within 120 days after enactment of this Act: Provided further, That the Secretary of Defense shall complete the Phase One contractor down-selection process for the Superconductive Magnetic Energy Storage system within 60 days after enactment of this Act: Provided further, That of the funds appropriated in Public Law 101-511 for Research, Development, Test and Evaluation, Defense Agencies, $25,000,000 provided for the Strategic Environmental Research Program shall be obligated for the procurement, installation and operation of a supercomputer to support the Arctic Region Supercomputing Center: Provided further, That not less than $6,000,000 of the funds appropriated in this paragraph shall be made available as a grant only to the University of Texas at Austin for laboratory and other efforts associated with research, development and other programs of major importance to the Department of Defense: Provided further, That not less than $6,000,000 of the funds appropriated in this paragraph shall be made available as a grant only to the Northeastern University for laboratory and other efforts associated with research, development and other programs of major importance to the Department of Defense: Provided further, That not less than $5,000,000 of the funds appropriated in this paragraph shall be made available as a grant only to the Texas Regional Institute for Environmental Studies for laboratory and other efforts associated with research, development and other programs of major importance to the Department of Defense: Provided further, That not less than $7,700,000 of the funds appropriated in this paragraph shall be made available as a grant only to the Kansas State University for laboratory and other efforts associated with research, development and other programs of major importance to the Department of Defense: Provided further, That not less than $1,600,000 of the funds appropriated in this paragraph shall be made available as a grant only to the University of Wisconsin for laboratory and other efforts associated with research, development and other programs of major importance to the Department of Defense: Provided further, That not less than $29,000,000 of the funds appropriated in this paragraph shall be made available as a grant only to the Boston University for laboratory and other efforts associated with research, development and other programs of major importance to the Department of Defense: Provided further, That not less than $250,000 of the funds appropriated in this paragraph shall be made available as a grant only to the Medical College of Ohio for laboratory and other efforts associated with research, development and other programs of major importance to the Department of Defense: Provided further, That not less than $500,000 of the funds appropriated in this paragraph shall be made available as a grant only to the University of South Carolina for laboratory and other efforts associated with research, development and other programs of major importance to the Department of Defense: Provided further, That not less than $750,000 of the funds appropriated in this paragraph shall be made available as a grant only to the George Mason University for laboratory and other efforts associated with research, development and other programs of major importance to the Department of Defense: Provided further, That not less than $2,300,000 of the funds appropriated in this paragraph shall be made available as a grant only to Monmouth College for laboratory and other efforts associated with research, development and other programs of major importance to the Department of Defense: Provided further, That not less than $10,000,000 of the funds appropriated in this paragraph shall be made available as a grant only to the University of Minnesota for laboratory and other efforts associated with research, development and other programs of major importance to the Department of Defense: Provided further, That not less than $500,000 of the funds appropriated in this paragraph shall be made available as a grant only to the University of Saint Thomas in Saint Paul, Minnesota for laboratory and other efforts associated with research, development and other programs of major importance to the Department of Defense: Provided further, That not less than $2,000,000 of the funds appropriated in this paragraph shall be made available as a grant only to the Brandeis University for laboratory and other efforts associated with research, development and other programs of major importance to the Department of Defense: Provided further, That not less than $3,000,000 of the funds appropriated in this paragraph shall be made available as a grant only to the New Mexico State University for laboratory and other efforts associated with research, development and other programs of major importance to the Department of Defense*; and the Senate agree to the same.

Amendment numbered 98:

That the House recede from its disagreement to the amendment of the Senate numbered 98, and agree to the same with an amendment, as follows:

In lieu of the matter inserted by said amendment insert: : *Provided further, That not less than $25,000,000 of the funds appropriated in this paragraph shall be available only for development of advanced superconducting multi-chip modules, superconducting materials, and diamond substrate material technologies.*

GENERAL PROVISION

SEC. 401. Funds appropriated in this title that are directed to be made available for a grant to,

or contract with, a college or university for the performance of research and development or for construction of a research or other facility shall be made available for that purpose without regard to, and (to the extent necessary) in contravention of, section 2361 of title 10, United States Code, which is hereby modified and superceded to the extent necessary to make each such grant or award each such contract, and any such grant or contract shall be made without regard to any of the conditions specified in subsection (b) of that section or section 2304 of title 10, United States Code: Provided, That funds appropriated in this title and in Title IV of Public Law 101-511 to develop Global Positioning System range equipment under the auspices of the Range Applications Joint Program Office may not be used to purchase more than eight systems; and the Senate agree to the same.

Amendment numbered 99:

That the House recede from its disagreement to the amendment of the Senate numbered 99, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$211,277,000*; and the Senate agree to the same.

Amendment numbered 100:

That the House recede from its disagreement to the amendment of the Senate numbered 100, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert: *For the Defense Business Operations Fund; $3,424,200,000.* ; and the Senate agree to the same.

Amendment numbered 102:

That the House recede from its disagreement to the amendment of the Senate numbered 102, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$151,800,000*; and the Senate agree to the same.

Amendment numbered 103:

That the House recede from its disagreement to the amendment of the Senate numbered 103, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$374,398,000*; and the Senate agree to the same.

Amendment numbered 104:

That the House recede from its disagreement to the amendment of the Senate numbered 104, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment amended to read as follows: *: Provided, That none of the funds in this Act may be obligated or expended for the procurement of equipment for chemical weapon disposal facilities at Anniston Army Depot or Umatilla Army Depot until the Secretary of the Army certifies to the Congress that Phase III of Operational Verification Testing at the Johnston Atoll Chemical Agent Destruction Facility has begun*; and the Senate agree to the same.

Amendment numbered 105:

That the House recede from its disagreement to the amendment of the Senate numbered 105, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$1,188,600,000*; and the Senate agree to the same.

Amendment numbered 106:

That the House recede from its disagreement to the amendment of the Senate numbered 106, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment amended to read as follows: *: Provided further, That $60,000,000 shall be transferred from the MX Missile Program in "Missile Procurement, Air Force, 1991/1993" to the "Drug Interdiction and Counter Drug Activities, Defense" account in order to procure no fewer than four aerostat radar surveillance systems. The amounts transferred shall be available for the same purposes as the appropriation to which transferred, and for the same time period as the appropriation from which transferred: Provided further, That of the funds appropriated in this paragraph, not less than $7,500,000 shall be available only for the Gulf States Counter-Narcotics Initiative*; and the Senate agree to the same.

Amendment numbered 107:

That the House recede from its disagreement to the amendment of the Senate numbered 107, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert: *$115,900,000; for Procurement, $300,000; In all: $116,200,000: Provided, That the amount provided for Procurement shall remain available until September 30, 1994*; and the Senate agree to the same.

Amendment numbered 110:

That the House recede from its disagreement to the amendment of the Senate numbered 110, and agree to the same with an amendment, as follows:

In lieu of the matter inserted by said amendment insert:

NATIONAL SECURITY EDUCATION TRUST FUND

Of the funds appropriated in this Act, $150,000,000 shall be made available only for the National Security Education Trust Fund pursuant to the provisions of Title VIII of the Intelligence Authorization Act (H.R. 2038), for fiscal year 1992.

And the Senate agree to the same.

Amendment numbered 111:

That the House recede from its disagreement to the amendment of the Senate numbered 111, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$1,500,000,000*; and the Senate agree to the same.

Amendment numbered 113:

That the House recede from its disagreement to the amendment of the Senate numbered 113, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert:

(c) Using funds available by this Act or any other Act, the Secretary of the Air Force, pursuant to a determination under section 2690 of title 10, United States Code, may implement cost-effective agreements for required heating facility modernization in the Kaiserslautern Military Community in the Federal Republic of Germany: Provided, That in the City of Kaiserslautern such agreements will include the use of United States anthracite as the base load energy for municipal district heat to the United States Defense installations: Provided further, That at Landstuhl Army Regional Medical Center and Ramstein Air Base, furnished heat may be obtained from private or municipal services, if provisions are included for the consideration of United States coal as an energy source.

And the Senate agree to the same.

Amendment numbered 115:

That the House recede from its disagreement to the amendment of the Senate numbered 115, and agree to the same with an amendment, as follows:

Restore the matter stricken and retain the matter inserted by said amendment, amended as follows:

Amend the matter restored by said amendment as follows:

In lieu of "72,150" named in said restored matter insert; *71,168*, and

In lieu of "48,624" named in said restored matter, insert; *48,093*, and further

Amend the matter retained by said amendment as follows:

In lieu of the section number named in said retained matter insert; *8015A*; and the Senate agree to the same.

Amendment numbered 117:

That the House recede from its disagreement to the amendment of the Senate numbered 117, and agree to the same with an amendment, as follows:

Restore the matter stricken and retain the matter inserted by said amendment, amended as follows:

Amend the matter retained by said amendment as follows:

In lieu of section number "8018" named in said retained matter insert; *8018A*; and the Senate agree to the same.

Amendment numbered 120:

That the House recede from its disagreement to the amendment of the Senate numbered 120, and agree to the same with an amendment, as follows:

Restore the matter stricken and retain the matter inserted by said amendment, amended as follows:

Amend the matter retained by said amendment as follows:

In lieu of section number "8027" named in said retained matter insert; *8027A*; and the Senate agree to the same.

Amendment numbered 122:

That the House recede from its disagreement to the amendment of the Senate numbered 122, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment amended to read as follows: *: Provided, That notwithstanding any other provision of law, the CHAMPUS Reform Initiative contract for California and Hawaii shall be extended until February 1, 1994, within the limits and rates specified in the contract: Provided further, That the Department shall competitively award contracts for the geographic expansion of the CHAMPUS Reform Initiative in Florida (which may include Department of Veterans Affairs medical facilities with the concurrence of the Secretary of Veterans Affairs), Washington, Oregon, and the Tidewater region of Virginia: Provided further, That competitive expansion of the CHAMPUS Reform Initiative may occur in any other regions that the Assistant Secretary of Defense for Health Affairs deems appropriate*; and the Senate agree to the same.

Amendment numbered 125:

That the House recede from its disagreement to the amendment of the Senate numbered 125, and agree to the same with an amendment, as follows:

Restore the matter stricken and retain the matter inserted by said amendment, amended as follows:

Amend the matter retained by said amendment as follows:

In lieu of the section number named in said retained matter insert: *8040A*, and

Before the word "petroleum" named in said retained matter insert: *coal and* ; and the Senate agree to the same.

Amendment numbered 127:

That the House recede from its disagreement to the amendment of the Senate numbered 127, and agree to the same with an amendment, as follows:

Restore the matter stricken and delete the matter inserted by said amendment, amended as follows:

Amend the matter restored by said amendment as follows:

Delete the matter contained in said restored matter appearing after the words "reserve components" down to and including "assistance services by the Department of Defense"

And the Senate agree to the same.

Amendment numbered 129:

That the House recede from its disagreement to the amendment of the Senate numbered 129, and agree to the same with an amendment, as follows:

Restore the matter stricken and retain the matter inserted by said amendment, amended as follows:

Amend the matter retained by said amendment as follows:

In lieu of the matter retained by said amendment, insert:

(TRANSFER OF FUNDS)

SEC. 8049A. In addition to the amounts appropriated or otherwise made available in this Act, $710,348,000 is appropriated for the operation, modernization, and expansion of automated data processing systems: Provided, That the Secretary of Defense shall, upon determining that such funds are necessary and further the objectives of the Corporate Information Management initiative, transfer such amounts as necessary to the appropriate appropriation provided in titles II, III, and IV of this Act to be merged with and to be available for the same purposes and for the same time period as the appropriations to which transferred: Provided further, That obligation and expenditure of these funds are subject to the review and approval of the Defense Department's senior information resource management official: Provided further, That this transfer authority shall be in addition to any other transfer authority contained in this Act.

And the Senate agree to the same.

Amendment numbered 131:

That the House recede from its disagreement to the amendment of the Senate numbered 131, and agree to the same with an amendment, as follows:

Restore the matter stricken and retain the matter inserted by said amendment, amended as follows:

Amend the matter restored by said amendment as follows:

In lieu of the matter restored by said amendment insert:

SEC. 8064. The Secretary of Defense shall ensure that at least 50 percent of the Joint Service Missile Mission is in place at Letterkenny Army Depot by the time Systems Integration Management Activity and Depot Systems Command are scheduled to relocate to Rock Island Arsenal, Illinois. This provision is in no way intended to affect the move of the 2.5-and 5-ton truck maintenance mission from Letterkenny Army Depot to Tooele Army Depot.

And further:

Amend the matter retained by said amendment as follows:

In lieu of section number "8064" named in said retained matter insert; *8064A*; and the Senate agree to the same.

Amendment numbered 132:

That the House recede from its disagreement to the amendment of the Senate numbered 132, and agree to the same with an amendment, as follows:

Restore the matter stricken and retain the matter inserted by said amendment, amended as follows:

Amend the matter retained by said amendment as follows:

In lieu of the section number named in said retained matter insert; *8065A*, and

In lieu of "$14,000,000" named in said retained matter insert; *$14,500,000*; and the Senate agree to the same.

Amendment numbered 133:

That the House recede from its disagreement to the amendment of the Senate numbered 133, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert:

SEC. 8067. (a) None of the funds appropriated by this Act shall be used to reduce the end strength of the National Guard and Reserve Components below the levels funded in this Act: Provided, That the Secretary of Defense may vary each such end strength level by not more than two percent.

(b) None of the funds appropriated by this Act shall be used to reduce the force structure allowance (1) of the Army National Guard below 450,000, (2) of the Army Reserve below 310,000, and (3) of any other National Guard or Reserve Component below the end strength level supported by funds appropriated by this Act: Provided, That in the case of any National Guard or Reserve Component, the Secretary of Defense may vary such force structure allowance by a percentage not in excess of the percentage (if any) by which the end strength level of that component is varied pursuant to the authority provided in the proviso in subsection (a).

And the Senate agree to the same.

Amendment numbered 134:

That the House recede from its disagreement to the amendment of the Senate numbered 134, and agree to the same with an amendment, as follows:

Restore the matter stricken and retain the matter inserted by said amendment, amended as follows:

Amend the matter retained by said amendment as follows:

In lieu of the section number named in said retained matter insert: *8070A*; and the Senate agree to the same.

Amendment numbered 135:

That the House recede from its disagreement to the amendment of the Senate numbered 135, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert:

SEC. 8072. None of the unobligated balances available in the National Defense Stockpile Transaction Fund during fiscal year 1992 may be obligated or expended to finance any grant or contract to conduct research, development, test, and evaluation activities for the development or production of advanced materials, unless amounts for such purposes are specifically appropriated in a subsequent appropriations Act.

SEC. 8072A. (a) As stated in section 3(5)(A) of the Export Administration Act of 1979 (50 U.S.C. App. 2402(5)(A)), it is the policy of the United States to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States or against any other United States person.

(b)(1) Consistent with the policy referred to in subsection (a), no Department of Defense prime contract in excess of the small purchase threshold, as defined in section 4(11) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(11)), may be awarded to a foreign person, company, or entity unless that person, company, or entity certifies to the Secretary of Defense that it does not comply with the secondary Arab boycott of Israel.

(2) The Secretary of Defense may waive the prohibition in paragraph (1) in specific instances when the Secretary determines that the waiver is necessary in the national security interests of the United States. Within 15 days after the end of each calendar quarter, the Secretary shall submit to Congress a report identifying each contract for which a waiver was granted under this paragraph during such quarter.

(3) This provision does not apply to contracts for consumable supplies, provisions or services intended to be executed for the support of the United States or of allied forces in a foreign country, nor does it apply to contracts pertaining to any equipment, technology, data, or services for intelligence or classified purposes, or the acquisition or lease thereof by the United States government in the interests of national security.

And the Senate agree to the same.

Amendment numbered 137:

That the House recede from its disagreement to the amendment of the Senate numbered 137, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert:

SEC. 8076. During the current fiscal year, none of the funds appropriated in this Act may be used to reduce the military or civilian medical and medical support personnel end strength at a base undergoing a partial closure or realignment, where more than one joint command is located, below the September 30, 1991 level.

SEC. 8076A. During the current fiscal year and the following fiscal year, additional obligations may be incurred under fiscal year 1990 procurement appropriations for the installation of equipment when obligations were incurred during the period of availability of such appropriation for the procurement of such equipment but obligations for the installation of such equipment were not able to be incurred before the expiration of the period of availability of such appropriations.

And the Senate agree to the same.

Amendment numbered 138:

That the House recede from its disagreement to the amendment of the Senate numbered 138, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert:

(RECISSIONS)

SEC. 8077. Of the funds provided in Department of Defense Appropriations Acts, the following funds are hereby rescinded from the following accounts in the specified amounts:

Procurement of weapons and tracked combat vehicles, Army, 1990/1992, $10,000,000;

Procurement of weapons and tracked combat vehicles, Army, 1991/1993, $114,000,000;

Procurement of ammunition, Army, 1991/1993, $23,700,000;

Other procurement, Army, 1990/1992, $10,300,000;

Other procurement, Army, 1991/1993, $26,800,000;

Weapons procurement, Navy, 1991/1993, $317,000,000;

Other procurement, Navy, 1991/1993, $6,200,000;

Procurement, Marine Corps, 1991/1993, $2,000,000;

Missile procurement, Air Force, 1990/1992, $16,000,000;

Missile procurement, Air Force, 1991/1993, $80,000,000;

National Guard and Reserve Equipment, 1991/1993, $8,000,000;

Research Development, Test and Evaluation, Army, 1991/1992, $81,075,000;

Research, Development, Test and Evaluation, Navy, 1991/1992, $173,000,000;

Research, Development, Test and Evaluation, Air Force, 1991/1992, $232,310,000;

Research, Development, Test and Evaluation, Defense Agencies, 1991/1992, $1,800,000.

And the Senate agree to the same.

Amendment numbered 141:

That the House recede from its disagreement to the amendment of the Senate numbered 141, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert:

SEC. 8083. Of the funds appropriated in this Act for "Drug Interdiction and Counter-Drug Activities, Defense", $40,000,000 shall be available only for the National Drug Intelligence Center.

SEC. 8083A. Central Intelligence Agency Consolidation Plan.

(a) FUNDING LIMITATION.—Of the amount appropriated by this Act for the Central Intelligence Agency Program, not more than $10,000,000 is appropriated for costs associated with the land acquisition and related expenditures necessary to implement a plan for consolidation of Central Intelligence Agency facilities. None of such funds may be obligated to implement such plan until all of the conditions set forth in subsection (d) have been met and (except as provided in subsection (c)) a period of 60 days beginning on the date on which all of such conditions have been met has expired. Any certification or report required under that subsection shall be provided in writing to the intelligence committees and the appropriations committees. If any of the required certifications cannot be provided, then the Director of Central Intelligence shall reopen the planning process with respect to the consolidation plan to the extent required to address any procedures that were determined to be deficient.

(b) ADDITIONAL FUNDING.—Pursuant to the procedures set forth in the joint explanatory statement of managers to accompany the conference report in the bill H.R. 2521 of the 102d Congress, an amount not to exceed $20,000,000 is available if the Director determines that funds in addition to the amount specified in subsection (a) are required during fiscal year 1992 for costs associated with the land acquisition and related expenditures necessary to implement the consolidation plan.

(c) LIMITED WAIVER OF 60-Day REVIEW PERIOD.—The Director may spend not to exceed $500,000 of the funds specified in subsection (a) for options and agreements to ensure the continued availability of property under consideration for the consolidation plan without regard to the 60-day period specified in subsection (a).

(d) CONDITIONS.—The following conditions and certifications must be met before the funds specified in subsection (a) may be obligated:

(1) The Director of Central Intelligence has certified—

(A) that with respect to procedures governing land acquisition by the Central Intelligence Agency—

(i) there are written procedures for such acquisition currently in effect;

(ii) those procedures are consistent with land acquisition procedures of the General Services Administration; and

(iii) the process used by the Central Intelligence Agency in developing the consolidation plan was in accordance with those written procedures; and

(B) that with respect to contracts of the Agency for construction and for the acquisition of movable property, equipment, and services, the procedures of the Agency are consistent with procedures under the Federal Acquisition Regulations.

(2) The Administrator of General Services has provided a written report stating that in the opinion of the Administrator (A) implementing the consolidation plan will result in cost savings to the United States Government, and (B) the consolidation plan will conform to applicable local governmental regulations.

(3) the Director of the Office of Management and Budget has certified—

(A) that the consolidation plan (and associated costs) have been reviewed by the Office of Management and Budget;

(B) that the funding for such plan is consistent with the 1990 budget agreement; and

(C) that funding for such plan has been approved by the Administration for fiscal year 1992.

(4) The Inspector General of the Central Intelligence Agency has certified that corrective actions, if any, recommended as a result of the Inspector General's inquiry into the consolidation plan, and concurred in by the Director of Central Intelligence, will be implemented.

(5) The Director of Central Intelligence has provided to the intelligence committees and appropriations committees a written report on the consolidation plan that includes—

(A) a comprehensive site evaluation, including zoning, site engineering, and environmental requirements, logistics, physical and technical security, and communications compatibility;

(B) a description of the anticipated effect of implementing the consolidation plan on personnel of the Central Intelligence Agency, including a discussion of the organizations and personnel that will be relocated and the rationale for such relocations and the Director's assurance that personnel are consulted and considered in the consolidation effort; and

(C) the Director's assurances that the Director, in evaluating and approving the plan, has considered global changes and budget constraints that may have the effect of reducing Central Intelligence Agency personnel requirements in the future.

(e) DEFINITIONS.—For purposes of this section:

(1) The term "intelligence committees" means the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate.

(2) The term "appropriations committees" means the Committees on Appropriations of the Senate and the House of Representatives.

And the Senate agree to the same.

Amendment numbered 145:

That the House recede from its disagreement to the amendment of the Senate numbered 145, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert:

SEC. 8086. For fiscal year 1992, the total amount appropriated to fund the Uniformed Services Treatment Facilities program, operated pursuant to section 911 of Public Law 97-99 (42 U.S.C. 248c), is limited to $209,700,000, of which not more than $188,300,000 may be provided by the funds appropriated by this Act.

And the Senate agree to the same.

Amendment numbered 146:

That the House recede from its disagreement to the amendment of the Senate numbered 146, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert:

SEC. 8088. None of the funds available to the Department of Defense during fiscal year 1992 may be obligated or expended to develop for aircraft or helicopter weapons systems an airborne instrumentation system for flight test data acquisition other than the Common Airborne Instrumentation System under development in the Central Test and Evaluation Investment Development program element funded in the "Developmental Test and Evaluation, Defense" appropriations account.

And the Senate agree to the same.

Amendment numbered 148:

That the House recede from its disagreement to the amendment of the Senate numbered 148, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert:

SEC. 8090. (a) Of the funds appropriated in this Act in title IV, Research, Development, Test and Evaluation, Navy, $625,000,000 shall be available only for the V-22 aircraft program.

(b) Of the funds appropriated in the Department of Defense Appropriations Act (Public Law 101-511) for fiscal year 1991 under the heading, "Aircraft Procurement, Navy" for the V-22 Osprey program, $165,000,000 shall be transferred to "Research, Development, Test and Evaluation, Navy, 1992/1993", to be merged with and to be available for the same purposes and the same time period as the appropriation to which transferred, subject to the provisions of subparagraph (c).

(c) Funds described in subparagraphs (a) and (b) of this section shall be obligated for a Phase II V-22 Full Scale Engineering Development program to provide new production representative aircraft which will have an objective to demonstrate the full operational requirements of the Joint Services Operational Requirement (JSOR) not later than December 31, 1996: Provided, That to the extent practicable, the production representative V-22 aircraft shall be produced on tooling which qualifies production design.

(d) The Secretary of Defense shall provide to the Congress, within 60 days of enactment of this Act, the total funding plan and schedule to complete the Phase II V-22 Full Scale Engineering Development program.

(e) The Secretary of Defense shall take no action which will delay obligation of these funds.

And the Senate agree to the same.

Amendment numbered 149:

That the House recede from its disagreement to the amendment of the Senate numbered 149, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert:

(TRANSFER OF FUNDS)

SEC. 8092. Upon enactment of this Act, the Secretary of Defense shall make the following transfer of funds: Provided, That the amounts transferred shall be available for the same purposes as the appropriations to which transferred, and for the same time period as the appropriation from which transferred: Provided further, That funds shall be transferred between the following appropriations in the amounts specified:

From:

Under the heading, "Shipbuilding and Conversion, Navy, 1988/1992": T-AO fleet oiler program, $3,523,000.

Under the heading, "Shipbuilding and Conversion, Navy, 1989/1993": LCAC landing craft air cushion program, $2,225,000; For outfitting and post delivery, $2,669,000.

Under the heading, "Shipbuilding and Conversion, Navy, 1990/1994": SSN-688 attack submarine program, $9,656,000; LSD-41 dock landing ship cargo variant program, $655,000; MHC coastal mine hunter program, $4,509,000; T-AGOS surveillance ship program, $665,000; Coast Guard patrol boat program, $4,223,000; For craft, outfitting, post delivery, and ship special support equipment, $2,653,000.

Under the heading, "Aircraft Procurement, Navy, 1990/1992", $893,500,000; LCAC landing craft air cushion program, $2,953,000; Under the heading, "Weapons Procurement, Navy, 1990/1992", $12,800,000.

Under the heading, "Shipbuilding and Conversion, Navy, 1991/1995": TRIDENT ballistic missile submarine program, $44,687,000; DDG-51 destroyer program, $64,900,000; LSD-41 dock landing ship cargo variant program, $1,303,000; MHC coastal mine hunter program, $3,142,000; AOE combat support ship program, $161,200,000; Oceanographic ship program, $43,100,000; LCAC landing craft air cushion program, $4,137,000; For craft, outfitting and post delivery, $12,391,000.

Under the heading, "Aircraft Procurement, Navy, 1991/1993", $81,600,000.

Under the heading, "Weapons Procurement, Navy, 1991/193", $49,900,000.

Under the heading, "Other Procurement, Navy, 1991/1993", $60,900,000.

Under the heading, "Procurement, Marine Corps, 1991/1993", $29,300,000.

To:

Under the heading, "Shipbuilding and Conversion, Navy, 1985/1989": Trident submarine program, $14,318,000; SSN-688 nuclear attack submarine program, $35,000,000; MCM mine countermeasures ship program, $5,082,000; T-AO fleet oiler ship program, $29,616,000.

Under the heading, "Shipbuilding and Conversion, Navy, 1986/1990": TRIDENT ballistic missile submarine program, $1,000,000; SSN-688 attack submarine program, $32,112,000; LSD-41 landing ship dock program, $2,454,000; MHC coastal mine hunter program, $9,900,000; T-AO fleet oiler program, $460,000; T-AG acoustic research ship program, $4,400,000.

Under the heading, "Shipbuilding and Conversion, Navy, 1987/1991": TRIDENT ballistic missile submarine program, $9,600,000; SSN-688 attack submarine program, $116,641,000; DDG-51 destroyer program, $90,093,000; AO conversion program, $400,000; T-AGOS surveillance ship program, $825,000; T-AO fleet oiler program, $460,000.

Under the heading, "Shipbuilding and Conversion, Navy, 1988/1992"; TRIDENT ballistic missile submarine program, $66,469,000; SSN-688 attack submarine program, $29,600,000; CVN nuclear aircraft carrier program, $95,230,000; LSD-41 cargo variant ship program, $7,261,000.

Under the heading, "Shipbuilding and Conversion, Navy, 1989/1993"; TRIDENT ballistic missile submarine program, $71,800,000; SSN-688 attack submarine program, $19,125,000; SSN-21 attack submarine program, $97,658,000; MHC coastal mine hunter program, $25,920,000; AO conversion program, $5,949,000; T-AGOS surveillance ship program, $15,800,000; T-AO fleet oiler program, $118,881,000.

Under the heading, "Shipbuilding and Conversion, Navy, 1990/1994"; TRIDENT ballistic missile submarine program, $36,271,000; ENTERPRISE refueling/modernization program, $100,100,000; Aircraft carrier service life extension program, $57,178,000; DDG-51 destroyer program, $146,788,000; MCM mine countermeasures program, $4,170,000; AO conversion program, $4,500,000; Moored training ship demonstration program, $9,000,000; Oceanographic ship program, $8,530,000; Coast Guard icebreaker ship program, $59,000,000.

Under the heading, "Shipbuilding and Conversion, Navy, 1991/1995": LHD-1 amphibious assault ship program, $165,000,000.

And the Senate agree to the same.

Amendment numbered 150:

That the House recede from its disagreement to the amendment of the Senate numbered 150, and agree to the same with an amendment, as follows:

Restore the matter stricken and retain the matter inserted by said amendment, amended as follows:

Amend the matter retained by said amendment as follows:

In lieu of the matter retained by said amendment insert:

SEC. 8093A. (a) Except as provided in this section, none of the funds available to the Department of Defense from any source during fiscal year 1992 may be obligated or expanded for any activities to support the objective of launching Strategic Target System (STARS) rockets from the Navy Pacific Missile Range Facility, Barking Sands, Kauai, Hawaii.

(b) The restriction in subsection (a) does not apply to any funds required to prepare or issue an environmental impact statement on the Strategic Target System Program, in accordance with the National Environmental Policy Act (42 U.S.C. 4321 et seq.), and in accordance with any Executive Orders issued, and any regulations promulgated to implement such Act.

(c) The restriction in subsection (a) does not apply to any funds required for STARS program activities conducted in the continental United States or for STARS program management related activities conducted outside the continental United States.

(d) The restriction in subsection (a) does not apply to any funds required to maintain the safety, security, reliability, and basic condition of the Strategic Target System launch complex and equipment at the Pacific Missile Range Facility, nor does it apply to funds required to finance measures taken in the State of Hawaii or elsewhere for purposes of range safety or environmental protection.

(e) The restriction in subsection (a) does not apply to any funds required to maintain or store Strategic Target System boosters and equipment or to ensure that safety and reliability of such boosters and equipment or to operate the Strategic Target System program office.

(f) Except as stated elsewhere in this section, the exceptions in subsection (e) shall apply only to activities carried out within the continental United States.

(g) The restriction in subsection (a) extends to any activity relating to the storage of live STARS boosters and components thereof or STARS liquid rocket fuel at the Pacific Missile Range Facility.

(h) Any live STARS boosters may not be transported to the Pacific Missile Range Facility before, at the earliest, the date referred to in subsection (i) below.

(i) The restrictions under this section shall remain in effect until the date of the issuance of an environmental impact statement and a formal Record of Decision with respect to this environmental impact statement, upon completion of a formal process that complies with the requirements of the National Environmental Policy Act (42 U.S.C. 4321 et seq.), and the Executive Orders issued, and regulations promulgated to implement such Act.

(j) The director of the Strategic Defense Initiative Organization shall notify the Congressional defense committees upon the completion of the STARS environmental impact statement and Record of Decision process.

And the Senate agree to the same.

Amendment numbered 151:

That the House recede from its disagreement to the amendment of the Senate numbered 151, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert:

SEC. 8094. Using funds available in the National Defense Stockpile Transaction Fund, during the period of fiscal years 1992 through 1994 and using procedures covered by section 3301 of the National Defense Authorization Act, 1991 (Public Law 101-510; 104 Stat. 1844-45), the President may acquire 50,000 kilograms of germanium to be held in the National Defense Stockpile.

And the Senate agree to the same.

Amendment numbered 156:

That the House recede from its disagreement to the amendment of the Senate numbered 156, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert:

SEC. 8096. None of the funds appropriated in this Act may be used to fill the commander's position at any military medical facility with a health care professional unless the prospective candidate can demonstrate professional administrative skills.

And the Senate agree to the same.

Amendment numbered 157:

That the House recede from its disagreement to the amendment of the Senate numbered 157, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert:

SEC. 8097. Of the funds appropriated by this Act for Operation and Maintenence, Defense Agencies, $20,000,000 shall be available (notwithstanding the last sentence of section 1086(c) of title 10, United States Code) to continue Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) benefits, until age 65, under such section for a former member of a uniformed service who is entitled to retired or retainer pay or equivalent pay, or a dependent of such a member, who becomes eligible for hospital insurance benefits under Part A of Title XVIII of the Social Security Act (42 U.S.C. 1395, et seq.) solely on the grounds of physical disability: Provided, That expenses under this section shall only be covered to the extent that such expenses are not covered under parts A and B of title XVIII of the Social Security Act and are otherwise covered under CHAMPUS: Provided further, That no reimbursement shall be made for services provided prior to October 1, 1991.

And the Senate agree to the same.

Amendment numbered 158:

That the House recede from its disagreement to the amendment of the Senate numbered 158, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert:

(TRANSFER OF FUNDS)

SEC. 8100. In addition to amounts appropriated or otherwise made available by this Act, $188,700,000 is hereby appropriated to the Department of Defense and shall be available only for transfer to the United States Coast Guard, of which $50,000,000 shall be available solely for the purposes of "Reserve Training" for fiscal year 1992 and $138,700,000 shall be merged with and be available for the same purposes and same time period as "Operating Expenses": Provided, That the foregoing transfers shall be made immediately upon enactment of this Act.

And the Senate agree to the same.

Amendment numbered 162:

That the House recede from its disagreement to the amendment of the Senate numbered 162, and agree to the same with an amendment, as follows:

Restore the matter stricken and retain the matter inserted by said amendment, amended as follows:

Amend the matter restored by said amendment as follows:

In lieu of the number "75" named in said restored matter insert: *90*, and further

Amend the matter retained by said amendment as follows:

In lieu of the section number named in said retained matter insert: *8103A*; and the Senate agree to the same.

Amendment numbered 163:

That the House recede from its disagreement to the amendment of the Senate numbered 163, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert:

SEC. 8104. (a) None of the funds appropriated or made available in this Act shall be used to reduce or disestablish the operation of the P-3 squadrons of the Navy Reserve below the levels funded in this Act.

(b) The Secretary of the Navy shall obligate funds appropriated for fiscal year 1991 and 1992

for modernization of P-3B aircraft of the Navy Reserve on those P-3B aircraft which the Secretary of the Navy intends to keep in the fleet for more than five years: Provided, That the provision of section 1437 of the National Defense Authorization Act, 1991 (Public Law 101-510) shall not be considered in, or have any effect on, making any determination whether such aircraft shall be kept in the fleet for more than five years.

SEC. 8104A. None of the funds available to the Department of Defense may be used for research, development, test, evaluation, installation, integration, or procurement of an advanced radar warning receiver for the B-1B aircraft: Provided, That this limitation shall not apply to the side-by-side testing of the ALR-621 and the ALR-56M radar warning receivers: Provided further, That notwithstanding section 132 of the National Defense Authorization Act for fiscal years 1992 and 1993 (H.R. 2100), $8,000,000 is available only for, and shall be expended for, the side-by-side testing of the ALR-621 and the ALR-56M radar warning receivers.

And the Senate agree to the same.

Amendment numbered 164:

That the House recede from its disagreement to the amendment of the Senate numbered 164, and agree to the same with an amendment, as follows:

Restore the matter stricken and retain the matter inserted by said amendment, amended as follows:

Amend the matter retained by said amendment as follows:

In lieu of the matter retained by said amendent insert:

SEC. 8105A. In addition to amounts appropriated elsewhere in this Act, $100,000,000 is appropriated for payment of claims to United States military and civilian personnel for damages incurred as a result of the volcanic eruption of Mount Pinatubo in the Philippines: Provided, That an additional $25,000,000 is appropriated to be available only for the relocation of Air Force units from Clark Air Force Base, of which $8,500,000 shall be available until September 30, 1994 only for the construction and modification of F-16 facilities for the Cope Thunder and other missions at Eielson Air Force Base and $2,500,000 shall be available until September 30, 1994 only for the construction and modification of squadron operation facilities at Elmendorf Air Force Base: Provided further, That an additional $25,000,000 is appropriated to remain available until expended, for the unanticipated costs of disaster relief activities of the Department of Defense and the military services overseas, and that funds allocated under this proviso shall be expended at the direction of the Unified Commander-in-Chief responsible for the locations to which United States military personnel are deployed for disaster relief missions.

And the Senate agree to the same.

Amendment numbered 165:

That the House recede from its disagreement to the amendment of the Senate numbered 165, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert:

SEC. 8107. Funds appropriated in this Act to finance activities of Department of Defense (DoD) federally-funded research and development centers (FFRDCs),

(a) are limited to 4 percent less than the amount appropriated for FFRDCs in fiscal year 1991 and therefore are reduced by $133,300,000; and

(b) may not be obligated or expended for an FFRDC if a member of its Board of Directors or Trustees simultaneously serves on the Board of Directors or Trustees of a profit-making company under contract to the Department of Defense unless the FFRDC has a DoD-approved conflict of interest policy for its members: Provided, That section (a) of this provision shall not apply to the Software Engineering Institute or to certain classified activities conducted by the Institute for Defense Analyses.

And the Senate agree to the same.

Amendment numbered 166:

That the House recede from its disagreement to the amendment of the Senate numbered 166, and agree to the same with an amendment, as follows:

Restore the matter stricken and retain the matter inserted by said amendment, amended as follows:

Amend the matter retained by said amendment as follows:

In lieu of the section number named in said retained matter insert: *8108A*; and the Senate agree to the same.

Amendment numbered 168:

That the House recede from its disagreement to the amendment of the Senate numbered 168, and agree to the same with an amendment, as follows:

Restore the matter stricken and retain the matter inserted by said amendment, amended as follows:

Amend the matter restored by said amendment as follows:

In lieu of the matter restored by said amendment insert:

Sec. 8110. None of the funds appropriated in this Act shall be available to comply with, or to implement any provision issued in compliance with, the August 27, 1984 memorandum of the Deputy Secretary of Defense entitled "Debarment from Defense Contracts for Felony Criminal Convictions".

And further amend the matter retained by said amendment as follows: In lieu of the section number named in said retained matter insert: *8110A*; and the Senate agree to the same.

Amendment numbered 169:

That the House recede from its disagreement to the amendment of the Senate numbered 169, and agree to the same with an amendment, as follows:

Restore the matter stricken and retain the matter inserted by said amendment, amended as follows:

Amend the matter retained by said amendment as follows:

In lieu of the seciton number named in said retained matter insert: *8111A*; and the Senate agree to the same.

Amendment numbered 170

That the House recede from its disagreement to the amendment of the Senate numbered 170, and agree to the same with an amendment, as follows:

Restore the matter stricken and retain the matter inserted by said amendment, amended as follows:

Amend the matter restored by said amendment as follows:

In lieu of the matter restored by said amendment insert:

SEC. 8112. During fiscal year 1992, the Critical Technologies Institute shall conduct a special study of the issues regarding the production and use of machine tools necessary to support the National Defense. For the purposes of this section—

(1) 'critical technology' means the act of a domestic industry in producing a product without which machine tools necessary to support the national defense could not be produced;

(2) 'domestic producer' means those producers, situated within the United States, or its territories, wherein over 50 percent of the total voting stock of such producer is owned and controlled by citizens of the United States; and

(3) 'national security' means the interest of the United States Government to preserve those basic conditions necessary to a domestic producer, using a critical technology, that are adequate to permit capital investment for needed improvements in technology that will enable the overall domestic industry to remain competitive.

(b) No later than one calendar year from the date of enactment of this Act, the Critical Technologies Institute shall prepare and deliver to the Committees on Appropriations and Armed Services of the House of Representatives and the Senate, the Ways and Means Committee of the House of Representatives, and the Finance Committee of the Senate a report providing—

(1) a listing and detailing of those products determined to be within the definition of 'critical technology';

(2) a summary of the general economic condition of domestic industries producing a product used in a critical technology in the United States (including, but not limited to, productivity, exportation of products, capacity, and profitability);

(3) a summary of—

(A) current and prospective trends in the ability to compete by such industries; and

(B) the effect of such trends on employment and unemployment, individual and corporate income levels, private capital accumulation and investment, the balance of payments, revenues and expenditures of the Federal Government, and other relevant indicators of the economic health of such industries;

(4) a detailed review of policies, programs, and activities of the Federal Government, State and local governments, and nongovernmental entities that adversely affect the economic health (and ability to produce) of domestic industries using a critical technology;

(5) recommendations to—

(A) minimize or eliminate the adverse effects of Federal policies, programs, and activities affecting such industries; and

(B) encourage State and local governments and nongovernmental entities to minimize or eliminate the adverse effects of their policies, programs, and activities affecting such domestic industries;

(6) a detailed review of policies, programs, and activities of foreign governments, particularly major trading partners of the United States, that adversely affect domestic industries using a critical technology in the United States and in the international marketplace, and such policies or activities that would act to impair or threaten to impair our national security; and

(7) recommendations to encourage foreign governments to modify of eliminate policies, programs, and activities that adversely affect such industries.

And further amend the matter retained by said amendment as follows:

In lieu of the section number "8112" named in said retained matter insert; *8112A* ; and the Senate agree to the same.

Amendment numbered 171:

That the House recede from its disagreement to the amendment of the Senate numbered 171, and agree to the same with an amendment, as follows:

Restore the matter stricken and retain the matter inserted by said amendment, amended as follows:

Amend the matter retained by said amendment as follows:

In lieu of section number "8113" named in said retained matter insert; *8113A*, and in lieu of "$25,000,000" named in said retained matter insert; *$37,500,000*; and the Senate agree to the same.

Amendment numbered 172:

That the House recede from its disagreement to the amendment of the Senate num-

bered 172, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$30,000,000*; and the Senate agree to the same.

Amendment numbered 174:

That the House recede from its disagreement to the amendment of the Senate numbered 174, and agree to the same with an amendment, as follows:

Restore the matter stricken and retain the matter inserted by said amendment, amended as follows:

Amend the matter retained by said amendment as follows:

In lieu of section number named in said retained matter insert; *8115A*, and at the end of the matter retained by said amendment, before the period, insert the following new provision: *: Provided, That the Department of Defense may provide recommendations to the Department of State regarding the national security implications of proposed foreign military sales*; and the Senate agree to the same.

Amendment numbered 176:

That the House recede from its disagreement to the amendment of the Senate numbered 176, and agree to the same with an amendment, as follows:

Restore the matter stricken and retain the matter inserted by said amendment, amended as follows:

Amend the matter restored by said amendment as follows:

In lieu of the matter restored by said amendment insert:

SEC. 8117. Notwithstanding any other provision of law, no more than fifteen percent of the funds available to the Department of Defense for sealift may be used to acquire through charter or purchase, ships constructed in foreign shipyards: Provided, That ships acquired as provided above shall be necessary to satisfy the shortfalls identified in the Mobility Requirements Study: Provided further, That any work required to convert foreign built ships acquired as provided above to United States Coast Guard and American Bureau of Shipping standards, or conversion to a more useful military configuration, must be accomplished in United States domestic shipyards: Provided further, That no foreign built ships may be acquired, through charter or purchase, until submission of the Mobility Requirements Study to the congressional defense committees.

And further amend the matter retained by said amendment as follows:

In lieu of the section number named in said retained matter insert; *8117A*; and the Senate agree to the same.

Amendment numbered 180:

That the House recede from its disagreement to the amendment of the Senate numbered 180, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert:

SEC. 8123. (a)(1) If the Secretary of Defense, after consultation with the United States Trade Representative, determines that a foreign country which is party to an agreement described in paragraph (2) has violated the terms of the agreement by discriminating against certain types of products produced in the United States that are covered by the agreement, the Secretary of Defense shall rescind the Secretary's blanket waiver for the Buy American Act with respect to such types of products produced in that foreign country.

(2) An agreement referred to in paragraph (1) is any reciprocal defense procurement memorandum of understanding, between the United States and a foreign country pursuant to which the Secretary of Defense has prospectively waived the Buy American Act for certain products in that country.

(b) The Secretary of Defense shall submit to Congress a report on the amount of Department of Defense purchases from foreign entities in fiscal years 1992 and 1993. Such report shall separately indicate the dollar value of items for which the Buy American Act was waived pursuant to any agreement described in subsection (a)(2), the Trade Agreement Act of 1979 (19 U.S.C. 2501 et seq.), or any international agreement to which the United States is a party.

(c) For purposes of this section, the term "Buy American Act" means title III of the Act entitled "An Act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes", approved March 3, 1933 (41 U.S.C. 10a et seq.).

SEC. 8124. The Classified Annex prepared by the Committee of Conference to accompany the conference report on the bill H.R. 2521 of the One Hundred Second Congress and transmitted to the President is hereby incorporated into this Act: Provided, That the amounts specified in the Classified Annex are not in addition to amounts appropriated by other provisions of this Act: Provided further, That the President shall provide for appropriate distribution of the Classified Annex, or of appropriate portions of the Classified Annex, within the executive branch of the Government.

And the Senate agree to the same.

Amendment numbered 181:

That the House recede from its disagreement to the amendment of the Senate numbered 181, and agree to the same with an amendment, as follows:

In lieu of the section number named in said amendment insert: *8125*; and the Senate agree to the same.

Amendment numbered 183:

That the House recede from its disagreement to the amendment of the Senate numbered 183, and agree to the same with an amendment, as follows:

In lieu of the matter inserted by said amendment insert:

SEC. 8126. (a) Property as defined in section 8133 of the Department of Defense Appropriations Act of 1991 (104 Stat. 1909) held by Federal agencies or instrumentalities and which is not scheduled for disposition by sale prior to October 1, 1996, as determined by such agencies or instrumentalities shall be, except as provided in subsection (b) of this section, transferred to the Secretary of the Interior, at his request, without compensation or reimbursement, for the purpose of entering into a land exchange or exchanges with the Calista Corporation, a corporation organized under the laws of the State of Alaska. The Secretary is authorized to exchange such property for the lands and interests in lands (which for purposes of this section include lands, partial estates, and land selection rights) of equal value identified in the document entitled "The Calista Conveyance and Relinquishment Document," dated October 28, 1991. The value of the lands and interests in lands included in that document shall be determined by the Secretary of the Interior not later than nine months after the date of enactment of this section. In making such value determination, the Secretary shall consider, in addition to the "Uniform Appraisal Standards for Federal Land Acquisitions," the public interest value of such lands and interests in lands, including, but not limited to, the location of such lands and interests in lands within the boundary of a national wildlife refuge, and statutorily authorized or mandated exchanges with and acquisitions by the Federal government of lands and interests in lands in Alaska. In the event that the parties cannot agree on the value of such lands and interests in land, the procedures specified in subsection 206(d), of P.L. 94-579, as amended, shall be used to establish the value: Provided, that the average value per acre of such lands and interests in lands shall be no more than $300. Property exchanged and conveyed by the United States pursuant to this section shall be considered and treated as conveyances of land entitlements under 43 U.S.C. 1601 through 1642 (except for Subsections (a) through (c) and (f) through (j) of section 1620, section 1627(b), and section 1636(d)).

(b) Prior to October 1, 1996, no property held for sale by the Resolution Trust Corporation or the Federal Deposit Insurance Corporation shall be transferred to the Secretary of the Interior to carry out the purposes of this section.

(c) The Secretary of the Interior shall maintain an accounting of the value of lands and interests in land remaining to be conveyed or relinquished by Calista Corporation pursuant to this section. On October 1, 1996, the Secretary of the Treasury shall establish a property account with an intitial balance equal to the value of lands and interests in lands which Calista Corporation has not then conveyed or relinquished to the United States pursuant to this section. Subject to reduction upon conveyances pursuant to subsection (a) of this section, said account shall be available on or after October 1, 1996, for the sale of property by all agencies or instrumentalities of the United States, to the same extent as is separately authorized to the accounts described in subsection 9102(a)(2) of the Department of Defense Appropriations Act, 1990, (103 Stat. 1151).

And the Senate agree to the same.

Amendment numbered 185:

That the House recede from its disagreement to the amendment of the Senate numbered 185, and agree to the same with an amendment, as follows:

In lieu of the matter inserted by said amendment insert:

(INCLUDING TRANSFER OF FUNDS)

SEC. 8128. Notwithstanding any other provision of law, $105,000,000 made available in the fiscal year 1991 Department of Defense Appropriations Act for "Aircraft Carrier Service Life Extension Program" under the heading "Shipbuilding and Conversion, Navy, 1991/1995" shall be utilized only for large scale industrial availability, presumed to be 24 months, of the USS JOHN F. KENNEDY at the Philadelphia Naval Shipyard: Provided, That at least $23,000,000 shall be transferred to "Other Procurement, Navy, 1992/1994" for the purchase of items to be used for a large scale industrial availability of the USS JOHN F. KENNEDY at the Philadelphia Naval Shipyard: Provided further, that the remaining funds shall be retained in the "Aircraft Carrier Service Life Extension Program" until required for transfer for the purpose of planning, scheduling, and any other such work as is necessary to prepare for and execute a large scale industrial availability of the USS JOHN F. KENNEDY at the Philadelphia Naval Shipyard.

And the Senate agree to the same.

Amendment numbered 187:

That the House recede from its disagreement to the amendment of the Senate numbered 187, and agree to the same with an amendment, as follows:

In lieu of the section number named in said amendment insert: *8129*, and in lieu of "$10,800,000" named in said amendment insert: *$26,000,000*; and the Senate agree to the same.

Amendment numbered 190:

That the House recede from its disagreement to the amendment of the Senate numbered 190, and agree to the same with an amendment, as follows:

In lieu of the matter inserted by said amendment insert:

SEC. 8130. The Comptroller General of the United States, in conjunction with the Department of the Navy, shall issue a report no later than July 1, 1992, on the Navy's accounting practices at its nuclear shipyards. The report shall include a detailed review of the Navy's current plan for the handling and disposal of all nuclear materials and radioactively contaminated materials of nuclear powered vessels. The report shall include cost evaluations and projections for the next twenty years based on the current Navy plan.

And the Senate agree to the same.

Amendment numbered 193:

That the House recede from its disagreement to the amendment of the Senate numbered 193, and agree to the same with an amendment, as follows:

In lieu of the section number named in said amendment insert: *8131*, and in lieu of the word "Senate" named in said amendment insert: *Congress*; and the Senate agree to the same.

Amendment numbered 195:

That the House recede from its disagreement to the amendment of the Senate numbered 195, and agree to the same with an amendment, as follows:

In lieu of the matter inserted by said amendment insert:

SEC. 8132. NATIONAL COMMISSION ON THE FUTURE ROLE OF U.S. NUCLEAR WEAPONS, PROBLEMS OF COMMAND, CONTROL, AND SAFETY OF SOVIET NUCLEAR WEAPONS, AND REDUCTION OF NUCLEAR WEAPONS.—

(a) ESTABLISHMENT.—There is hereby established a National Commission on the Future Role of U.S. Nuclear Weapons, Problems of Command, Control, and Safety of Soviet Nuclear Weapons, and Reduction of Nuclear Weapons (hereafter in this section referred to as the "Commission").

(b) COMPOSITION.—(1) The Commission shall be composed of twelve members, appointed as follows:

(A) 4 members shall be appointed by the President.

(B) 4 members shall be appointed by the Speaker of the House of Representatives in consultation with the minority leader of the House of Representatives.

(C) 4 members shall be appointed by the President pro tempore of the Senate upon the recommendation of the majority leader and the minority leader of the Senate.

(2) The members of the Commission shall be appointed on a non-partisan basis from among persons having knowledge and experience in defense, foreign policy, nuclear weapons, and arms control matters.

(3) Members of the Commission shall be appointed for the life of the Commission. A vacancy on the Commission shall not affect its power, but shall be filled in the same manner as the original appointment was made.

(4) The members of the Commission shall be appointed not later than March 1, 1992. The Commission may not begin to carry out its duties under this section until seven members of the Commission have been appointed.

(5) The Chairman of the Commission shall be elected by and from the members of the Commission.

(c) DUTIES.—The Commission shall assess, report on, and issue recommendations regarding—

(1) the role of, and requirements for, nuclear weapons in the security strategy of the United States as a result of the significant changes in the former Warsaw Pact, the former Soviet Union, and the Third World;

(2) actions the United States should take with respect to such weapons in its national security posture by reason of such changes;

(3) the problems of command, control, and safety of nuclear weapons resulting from the changes taking place in the Soviet Union;

(4) identification of possibilities for international cooperation between the United States and the Soviet Union and among other countries regarding such problems;

(5) the implications of the changes in the Soviet Union on the policy of the United States regarding the problems of command, control, and safety of Soviet nuclear weapons and on the possibilities for international cooperation regarding such problems;

(6) future actions by the United States regarding the matters referred to in paragraphs (3)–(5) above;

(7) what safeguards, including the possible deployment of limited defenses, to protect against the threat of accidental or unauthorized use of nuclear weapons;

(8) what specific goals, consistent with the principle of maintaining deterrence and strategic stability at the lowest levels of armament, should be established for the reduction of strategic and tactical nuclear weapons;

(9) what techniques for dismantling nuclear warheads and disposing of nuclear materials could be incorporated into future arms control agreements.

(d) To assist it in carrying out its duties with respect to the matters listed in subsection (c) (3)–(6) above, the Commission is requested to obtain a study from the National Academy of Sciences on these matters. Such a study would be a follow-on endeavor to the study concluded by the National Academy in September, 1991, on the nuclear relationship of the United States and the Soviet Union.

(e) To assist it in carrying out its duties with respect to the matters listed in subsection (c) (7)–(9) above, the Commission shall request the President to establish and support a joint working group, to be comprised of experts from governments of the United States and from the former Soviet Union, who shall meet on a regular basis in order to discuss and provide specific recommendations regarding these matters. The joint working group shall be comprised—

(1) on the United States side, of such governmental experts as the President may deem appropriate; and

(2) such governmental representatives from the former Soviet Union as the President may arrange.

(f) It is the sense of the Congress that the President of both the United States and the former Soviet Union should encourage their respective defense departments and related intelligence agencies to examine what relevant information should be declassified or otherwise shared within the joint working group discussed in subsection (e) above in order to support the fulfillment of its mandate.

(g) REPORT.—(1) The Commission shall submit to the President and the relevant Congressional committees a final report on the assessments and recommendations referred to in subsection (c) not later than May 1, 1993. The report shall be submitted in unclassified and classified versions.

(2) The Commission shall provide the President and the relevant Congressional committees reports on a quarterly basis which elaborate on the Commission's progress in fulfilling its duties and on the use of the funds available to the Commission.

(3) For the purposes of this section, the relevant Congressional committees are the Committees on Appropriations and Armed Services of the Senate and House of Representatives, the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, the Select Committee on Intelligence of the Senate, and the Permanent Select Committee on Intelligence of the House of Representatives.

(h) POWERS.—(1) The Commission may, for the purpose of carrying out this section, conduct such hearings, sit and act at such times, take such testimony, and receive such evidence, as the Commission considers appropriate.

(2) The Commission may secure directly from any department or agency of the Federal Government such information, relevant to its duties under this section, as may be necessary to carry out such duties. Upon request of the Chairman of the Commission, the head of the department or agency shall, to the extent permitted by law, furnish such information to the Commission.

(3) The Commission may use the United States mails in the same manner and under the same conditions as the departments and agencies of the Federal Government.

(4) The Secretary of Defense shall provide to the Commission such reasonable administrative and support services as the Commission may request. The Secretary shall provide similar services to the joint working group referred to in subsection (e) as the working group may request.

(i) COMMISSION PROCEDURES.—(1) The Commission shall meet on a regular basis (as determined by the Chairman) and at the call of the Chairman or a majority of its members.

(j) PERSONNEL MATTERS.—(1) Each Member of the Commission shall serve without compensation, but shall be allowed travel expenses including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, when engaged in the performance of Commission duties.

(2) The Commission shall appoint a staff director, who shall be paid at a rate not to exceed the maximum rate of basic pay under section 5376 of title 5, United States Code, and such professional and clerical personnel as may be reasonable and necessary to enable the Commission to carry out its duties under this section without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title, or any other provision of law, relating to the number, classification, and General Schedule rates. No employee appointed under this paragraph (other than the staff director) may be compensated at a rate to exceed the maximum rate applicable to level 15 of the General Schedule.

(3) Upon request of the Chairman of the Commission, the head of any department or agency of the Federal Government is authorized to detail, without reimbursement, any personnel of such department or agency to the Commission to assist the Commission in carrying out its duties under this section. The detail of any such personnel may not result in the interruption or loss of civil service status or privilege of such personnel.

(k) TERMINATION OF THE COMMISSION.—The Commission shall terminate upon submission of the final report required by subsection (g).

(l) APPROPRIATIONS.—Of the funds available to the Department of Defense, $1,500,000 shall be made available to the Commission to carry out the provisions of this section.

And the Senate agree to the same.

Amendment numbered 196:

That the House recede from its disagreement to the amendment of the Senate numbered 196, and agree to the same with an amendment, as follows:

In lieu of the section number named in said amendment insert: *8133*; and the Senate agree to the same.

Amendment numbered 199:

That the House recede from its disagreement to the amendment of the Senate numbered 199, and agree to the same with an amendment, as follows:

In lieu of the section number named in said amendment insert: *8134*, and after line 19 on page 88 of the House of Representatives engrossed bill, H.R. 2521, insert:

(c) During fiscal year 1992, a business concern which has negotiated with a military service or defense agency a subcontracting plan for the participation by small business concerns pursuant to section 8(d) of the Small Business Act (15 U.S.C. 637(d)) shall be given credit toward meeting that subcontracting goal for any purchases made from qualified nonprofit agencies for the blind or other severely handicapped.

And the Senate agree to the same.

Amendment numbered 200:

That the House recede from its disagreement to the amendment of the Senate numbered 200, and agree to the same with an amendment, as follows:

In lieu of section number "8143" named in said amendment insert: *8135*, and at the end of said amendment insert the following new provisions:

SEC. 8136. Up to $20,000,000 in unobligated and unexpended funds in any appropriation made for Air Force programs in the Department of Defense Appropriations Act, 1991, shall be available to provide reimbursements for launch services costs authorized to be waived by the 1988 Amendments to the Commercial Space Launch Act: Provided, That the Department of Defense shall notify the Committees on Appropriations of the House and Senate not less than 30 calendar days in session prior to the obligation of funds for this purpose.

SEC. 8137. Section 2208 of Title 10 United States Code is amended to redesignate the current subsection (j) to subsection (k) and add a new subsection (j) as follows:

(j) The Secretary of the Army may authorize a working capital funded Army industrial facility to manufacture or remanufacture articles and sell these articles, as well as manufacturing or remanufacturing services provided by such facilities, to persons outside the Department of Defense if—

(1) the person purchasing the article or service is fulfilling a Department of Defense contract; and

(2) the Department of Defense solicitation for such contract is open to competition between Department of Defense activities and private firms.

SEC. 8138. Notwithstanding any other provision of law, the Secretary of Defense may, when he considers it in the best interest of the United States, cancel any part of an indebtedness, up to $2,500, that is or was owed to the United States by a member or former member of a uniformed service if such indebtedness, as determined by the Secretary, was incurred in connection with Operation Desert Shield/Storm: Provided, That the amount of an indebtedness previously paid by a member or former member and cancelled under this section shall be refunded to the member.

(TRANSFER OF FUNDS)

SEC. 8139. In addition to the amount appropriated in Public Law 102–140 for United States Information Agency "Salaries and expenses", $5,600,000 shall be derived by transfer from unobligated balances of Board for International Broadcasting, "Israel Relay Station", to be available for the costs of the participation of the United States in 1992 Columbus Quincentennial Expositions in Seville, Spain, and Genoa, Italy.

SEC. 8140. Notwithstanding any other law or regulation, the segregative effect of the withdrawal application filed by the U.S. Forest Service with the Bureau of Land Management on March 9, 1953, or the withdrawals effected by Public Land Order 3502 and Public Land Order 3556, the Secretary of the Interior, acting through the Director, Bureau of Land Management, is directed to issue a patent to the Shiny Rock Mining Corporation for the Santiam No. 1 lode mining claim, situated within Sections 19 and 30, T. 8 B., R. 5 E., W.M., Marion County, Oregon, pursuant to the April 22, 1991, Order of the Interior Board of Land Appeals in the case of United States v. Shiny Rock Mining Corporation, docket number IBLA 88–41.

SEC. 8141. Notwithstanding any other provision of law, the Department of the Navy shall obligate not less than $10,000,000 of the funds appropriated in this Act for Research, Development, Test, and Evaluation, Navy to develop an integrated display station as an engineering change to the Advanced Video Processor and for the reestablishment of the CI Mode integration testing: Provided, That the funds appropriated in fiscal year 1991 for the procurement of the Advanced Video Processor units and associated display heads shall be made available to the Department of the Navy, obligated not later than sixty days from the enactment of this Act, and used for no other purpose: Provided further, That none of the funds appropriated in this, or any other Act, shall be made available for the OJ–XXX Anti-Submarine Warfare Display Station.

SEC. 8142. None of the funds in this Act may be used to order from the Desktop III contract, except for contract maintenance, service, peripheral equipment and necessary spare parts to ensure system operability, at the time that the Desktop IV contract is available to receive customer orders.

(TRANSFER OF FUNDS)

SEC. 8143. In addition to any other transfer authority contained in this Act, amounts from working capital funds shall be transferred to appropriations contained in this Act to be merged with and to be available for the same purposes and for the same time period as the appropriations to which transferred, as follows: from the Defense Business Operations Fund, not less than $300,000,000 shall be transferred as follows: $150,000,000 to Foreign Currency Fluctuations, Defense; $60,000,000 to Pentagon Reservation Maintenance Fund; $20,000,000 to Operation and Maintenance, Army Reserve; $20,000,000 to Operation and Maintenance, Navy Reserve; $10,000,000 to Operation and Maintenance, Marine Corps Reserve; $15,000,000 to Operation and Maintenance, Air Force Reserve; and $25,000,000 to Operation and Maintenance, Army National Guard.

SEC. 8144. The Secretary of Defense may not withhold assistance, furnished using funds appropriated or otherwise made available to the Secretary of Defense under this Act or made available to the Secretary under the Department of Defense Base Closure Account 1990, from a community reuse task force or committee established in connection with the closure of a military installation under the Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510) on the basis of a lack of unanimity among the members of the task force or committee if at least 90 percent of the members of the task force or committee support the application for such assistance.

SEC. 8145. (a) Notwithstanding subsections (a) and (c) of section 7308 of title 10, United States Code, but subject to subsection (b) of that section, the Secretary of the Navy may transfer the obsolete aircraft carrier Oriskany (CV 34) to the nonprofit organization, "City of America", for cultural and educational purposes.

(b) The transfer authorized by subsection (a) may be made only if the Secretary of the Navy determines that the vessel is of no further use to the United States for national security purposes.

SEC. 8146. For the purpose of determining the benefit/cost ratio for the South Frankfort, Kentucky flood control project, no expenditures made prior to fiscal year 1992 shall be considered to be preliminary design and engineering costs.

SEC. 8147. Appropriations contained in this Act that remain available at the end of the current fiscal year as a result of energy cost savings realized by the Department of Defense shall remain available for obligation for the next fiscal year to the extent, and for the purposes, provided in section 2865 of title 10, United States Code.

SEC. 8148. For purposes of funds provided for the Defense access road for Andrews Air Force Base, Maryland, the Suitland Parkway shall be considered as fully meeting the certification requirements specified in Section 210 of Title 23 of the United States Code.

SEC. 8149. (a) The Secretary of Defense, during the current fiscal year or at any time thereafter, may make a donation to an entity described in subsection (b) of a parcel or real property (including structures on such property) under the jurisdiction of the Secretary that is not currently required for the needs of the Department and that the Secretary determines is needed and appropriate for the activities of that entity.

(b) A donation under subsection (a) may be made to a nonprofit entity which provides medical, educational, and emotional support in a recreational setting to children with life-threatening diseases and their families.

SEC. 8150. (a) The Secretary of the Treasury shall pay, out of funds in the Treasury not otherwise appropriated, to George D. Hand, Jr., the amount of $220,000 for damages sustained by George D. Hand, Jr., as a result of the scuttling of the F/V SHINNECOCK I off Shinnecock Harbor, New York, on March 14, 1991.

(b) The payment to George D. Hand, Jr., pursuant to subsection (a) shall satisfy in full all claims of George D. Hand, Jr., against the United States for any loss, injury, or other damages resulting from the scuttling of the vessel described in subsection (a).

(c) It shall be unlawful for more than 10 percent of the amount paid to George D. Hand, Jr., pursuant to subsection (a) to be paid to or received by any agent or attorney of George D. Hand, Jr., in connection with the claim referred to in subsection (b). Any person who violates subsection (a) shall be fined under title 18, United States Code.

SEC. 8151. Of the funds transferred to the Department of Energy pursuant to Section 8089 of the Department of Defense Appropriations Act, 1991 (Public Law 101–511; 104 Stat. 1896), not to exceed $1,000,000 shall be made available in fiscal year 1992 to the Commonwealth of Pennsylvania for independent monitoring and testing of onsite activities in the decommissioning at the Apollo, Pennsylvania site, except that such monitoring and testing shall not interfere with the conduct of site decommissioning activities or affect Nuclear Regulatory Commission authority over the decommissioning: Provided, That the date for completion of cleanup at the Apollo site provided in Section 8089 of the Department of Defense Appropriations Act of 1991 is rescinded.

SEC. 8152. During the current fiscal year, the Secretary of Defense may accept burdensharing contributions in the form of money from the Government of Japan for the costs of local national employees, supplies, and services of the Department of Defense to be credited to applicable Department of Defense operations and maintenance appropriations available for the salaries and benefits of local national employees, supplies, and services to be merged with and to be available for the same purposes and time period as those appropriations to which credited: Provided, That not later than 30 days after the end of each quarter of the fiscal year, the Secretary of Defense shall submit to the Congress a report of contributions accepted by the Secretary under this provision during the preceding quarter.

(TRANSFER OF FUNDS)

SEC. 8153. From the funds made available for Repair and Restoration of Buildings of the Smithsonian Institution in the fiscal year 1992 Department of the Interior and Related Agencies Appropriations Act, $800,000 is hereby appropriated by transfer to the Salaries and expenses account of the Smithsonian Institution, such sum to remain available until expended.

SEC. 8154. None of the funds appropriated or made available by this Act may be used to implement a realignment or consolidation of the Naval Facilities Engineering Command that would affect of the Northern Division of that command until sixty days after the consolidation or realignment plan is approved by the Secretary of Defense and submitted to the Committee on Appropriations of the House and Senate.

SEC. 8155. Notwithstanding any other provision of law or regulation, the Department of Defense shall have the authority to charter one or more presently existing U.S. flag tankers for a firm lease period not exceeding five years, with provision for further renewal at the Department's option: Provided, That any such charter contains no penalty payable upon failure to exercise any renewal option: Provided further, That the charter contains no agreement to indemnify any person for any amount paid or due by any person to the United States for any liability arising under the Internal Revenue Code of 1954: Provided further, That any such tanker was built after December 31, 1980: Provided further, That no funds shall be available for any such charter without previously having been submitted to the congressional defense committees.

SEC. 8156. Section 355(b) of Public Law 101-510 is amended by striking "92" and inserting in lieu thereof "77".

SEC. 8157. The Secretary of Defense is authorized to provide optional summer school programs in addition to the programs otherwise authorized by the Defense Dependents Education Act of 1978 (P.L. 95-561), and to charge a fee for participation in such optional education programs. Optional summer school program fees shall be made available for use by the Secretary to defray the costs of summer school operations.

And the Senate agree to the same.

JOHN P. MURTHA,
NORMAN DICKS,
CHARLES WILSON,
W.G. (BILL) HEFNER,
MARTIN OLAV SABO,
JULIAN C. DIXON,
BERNARD J. DWYER,
JAMIE L. WHITTEN,
JOSEPH M. MCDADE,
BILL YOUNG,
CLARENCE MILLER,
BOB LIVINGSTON,
JERRY LEWIS,
Managers on the Part of the House.

DANIEL K. INOUYE,
ERNEST F. HOLLINGS,
J. BENNETT JOHNSTON,
ROBERT C. BYRD,
PAT LEAHY,
JIM SASSER,
DENNIS DECONCINI,
DALE BUMPERS,
FRANK R. LAUTENBERG,
TOM HARKIN,
TED STEVENS,
JAKE GARN,
ROBERT W. KASTEN, Jr.,
ALFONSE M. D'AMATO,
WARREN B. RUDMAN,
THAD COCHRAN,
ARLEN SPECTER,
PETE V. DOMENICI,
MARK O. HATFIELD,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2521), making appropriations for the Department of Defense for the fiscal year ending September 30, 1992, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

The conference agreement on the Department of Defense Appropriations Act, 1992, incorporates some of the provisions of both the House and Senate versions of the bill. The language and allocations set forth in House Report 102-95 and Senate Report 102-154 should be complied with unless specifically addressed in the accompanying bill and statement of the managers to the contrary.

TITLE I—MILITARY PERSONNEL

The conferees agree to the following amounts for the Military Personnel accounts:

[In thousands of dollars]

	Budget	House	Senate	Conference
Active personnel:				
Army	24,226,100	24,526,100	24,136,000	24,176,100
Navy	19,597,700	19,577,700	19,603,025	19,602,967
Marine Corps	6,066,800	6,086,800	6,055,360	6,065,560
Air Force	18,905,500	18,905,500	18,838,800	18,868,300
Reserve personnel:				
Army	2,192,800	2,320,800	2,298,800	2,298,800
Navy	1,648,600	1,718,600	1,710,600	1,714,600
Marine Corps	326,900	354,900	342,400	348,900
Air Force	705,300	721,500	715,100	718,900
National Guard personnel:				
Army	3,201,700	3,395,700	3,320,400	3,326,700
Air Force	1,145,500	1,145,500	1,145,500	1,145,500
Total, military personnel	78,016,900	78,753,100	78,165,985	78,266,327

VOLUNTARY SEPARATION INCENTIVE/ INVOLUNTARY SEPARATIONS

The conferees agree that the Department needs maximum flexibility in order to reshape the military for the future because of changing world conditions. Based on Administration assurances that involuntary separations will only be invoked as a last resort, the conferees have agreed to drop the House provision mandating no involuntary separations for the Army.

In addition, the conferees believe that the Voluntary Separation Incentive (VSI) will provide a positive incentive to reduce the size of the military force. The conferees agree that VSI should be provided to the extent and in the amounts authorized by the Defense Authorization Act. Because the conferees have made other reductions for specific line items in the military personnel accounts, no savings were taken for implementing VSI this fiscal year.

MILITARY PERSONNEL, ARMY

Amendment No. 1: Appropriates $24,176,100,000 instead of $24,526,100,000 as proposed by the House and $24,136,000,000 as proposed by the Senate.

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	House	Senate	Conference
Military personnel restoration	300,000	0	0
Variable housing allowance	0	−2,000	−2,000
Overseas station allowance	0	−88,000	−48,000
Total, military personnel, Army	300,000	−90,100	−50,000

Amendment No. 2: Deletes House language that would have prevented the Army from involuntarily separating military personnel, except for causes consistent with past policy.

MILITARY PERSONNEL, NAVY

Amendment No. 3: Appropriates $19,602,967,000 instead of $19,577,700,000 as proposed by the House and $19,603,025,000 as proposed by the Senate.

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	House	Senate	Conference
Ensign "stashing"	−20,000	−8,400	−8,400
Variable housing allowance	0	−4,275	−4,275
Overseas station allowance	0	−33,700	−19,500
Delayed decommissioning	0	51,700	37,442
Total, military personnel, Navy	−20,000	5,325	5,267

ENSIGN "STASHING"

Reductions taken by both Houses were intended to end the wasteful practice of ensign "stashing". While the conferees have agreed to the Senate position for reduced funding, the conferees want to strongly emphasize that this practice will be completely stopped.

DELAYED DECOMMISSION

The conferees agree to the increased personnel costs detailed below due to the delay in decommissioning the following naval vessels:

	Amount
U.S.S. *Midway*	$14,547,000
U.S.S. *Wisconsin*	4,215,000
U.S.S. *Missouri*	18, 680,000

MILITARY PERSONNEL, MARINE CORPS

Amendment No. 4: Appropriates $6,065,560,000 instead of $6,086,800,000 as proposed by the House and $6,055,360,000 as proposed by the Senate.

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	House	Senate	Conference
SRB/EB (bonuses) partial restoration	3,000	0	3,000
Aviation continuation pay partial restoration	2,500	0	2,500
Reserve support	14,500	0	0
Variable housing allowance	0	−1,140	−1,140
Overseas station allowance	0	−10,300	−5,600
Total, military personnel, Marine Corps	20,000	−11,440	−1,240

MILITARY PERSONNEL, AIR FORCE

Amendment No. 5: Appropriates $18,868,300,000 instead of $18,905,500,000 as proposed by the House and $18,838,800,000 as proposed by the Senate, and deletes Senate position reducing the total amount appropriated for Research, Development, Test and Evaluation, Air Force, by $225,000,000.

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	House	Senate	Conference
Variable housing allowance	0	−2,200	−2,200
Overseas station allowance	0	−64,500	−35,000
Total, military personnel, Air Force	0	−66,700	−37,200

NATIONAL GUARD AND RESERVE FORCES

The conferees agree to provide $9,553,400,000 in Reserve personnel appropriations, $7,355,200,000 in operation and maintenance appropriations, and $1,877,800,000 in the National Guard and Reserve Equipment appropriation. In addition, $235,799,000 is provided for Guard and Reserve forces in "Drug Interdiction and Counter-Drug Activities, Defense" and $90,000,000 is provided in section 8143. These funds support a Selected Reserve strength of 1,135,896, an AGR ceiling of 72,899, and a Technician floor of 71,168, broken out as follows:

RESERVE STRENGTHS

[Fiscal year 1992]

	Budget	Conference	Conference versus Budget
Selected Reserve:			
Army Reserve	282,700	308,000	25,300
Navy Reserve	134,600	144,000	9,400
Marine Corps Reserve	40,900	42,400	1,500
Air Force Reserve	81,200	83,396	2,196
Army National Guard	410,900	440,000	29,100
Air National Guard	118,100	118,100	0
Total	1,068,400	1,135,896	67,496
AGR/TARS:			
Army Reserve	12,683	13,146	463
Navy Reserve	22,045	22,521	476
Marine Corps Reserve	2,170	2,285	115
Air Force Reserve	643	649	6
Army National Guard	23,341	25,162	1,821
Air National Guard	9,081	9,136	55
Total	69,963	72,899	2,936
Technicians:			
Army Reserve	7,082	8,095	1,013
Air Force Reserve	10,343	10,495	152
Army National Guard	27,049	27,939	890
Air National Guard	24,639	24,639	0
Total	69,113	71,168	2,055

The conferees agree that any other report language on issues concerning the reserve components addressed by the House and Senate in their respective reports, unless specifically amended in the conference report, remain of interest to the conferees and should be followed.

FORCE STRUCTURE

The conferees believe that during a period of decreasing Defense budgets, it makes sense to put more, not less, force structure into the reserve components. Accordingly, the conferees agree to include section 8067 which prohibits funds to reduce the end strength of the reserve components below the levels funded in this Act; specifies a force structure level; and provides the Secretary of Defense with adjustment flexibility.

The conferees agree to provide a two percent flexibility to the end strength and force structure floors of each National Guard and Reserve Component as set by section 8067. The conferees are adamant that the force structure to end strength ratio set forth in section 8067 shall be maintained for the Army Reserve and Army National Guard.

The conferees remain concerned that the cadre concept has not been fully developed and justified. Therefore, the conferees direct the Department not to begin the implementation of these divisions during fiscal year 1992.

The Department should provide a listing of all units being reduced, realigned, or inactivated in fiscal year 1992. This listing should include the designation of the unit, its location and personnel levels, and timetable. Where appropriate the listing should indicate the associated active unit it supports. This listing should be submitted to the Committees on Appropriations by March 15, 1992.

In addition, the conferees expect the Department to provide a similar listing for unit adjustments proposed in the amended fiscal year 1993 budget.

The $90,000,000 to be transferred from the Defense Business Operations Fund may be used to fund the force structure restoration or to reduce current backlogs in items, such as depot maintenance and organizational clothing and equipment.

ARMY RESERVE COMMAND

House language expressed concern about the autonomy and location of the Army Reserve Command. The conferees agree with these concerns and direct the Army to include review of these issues in the charter of the Independent Commission. In addition, the conferees agree that evaluation criteria and measurement standards should be decided prior to the Commission critiquing the progress of the Command and its future effectiveness.

ARMY CONSOLIDATIONS

House language directed that the Army should not undertake the consolidations of the personnel centers and fixed wing aircraft until a decision has been made on the force structure of the Total Army. The conferees agree with this direction and request that the Department of the Army submit a report to the Committees on Appropriations justifying each of the proposed consolidations. Each report should address what benefits will accrue to the Army, specific plans and timetables for the consolidation, and a detailed cost and benefits analysis for all facets of such consolidation. In addition, the report on fixed wing aircraft should address the merits of assigning the operational support mission to a reserve component. Accordingly, the conferees direct the Army not to take any action to implement these proposed reorganizations until thirty days after each report requested above is submitted to the Committees on Appropriations.

TRAINING DIVISIONS

In the fiscal year 1990 conference report on the Defense Appropriations Act, the conferees directed the Army not to take any action to implement the proposed reorganization of the 76th and 78th Training Divisions of the Army Reserve until thirty days after a report justifying the consolidation has been submitted to the Committees on Appropriations. The conferees reaffirm this direction provided in fiscal year 1990 and direct the Army to submit a report addressing what benefits will accrue to the Army Reserve and how this reorganization will affect the positions, facilities, and missions of the 76th and 78th Training Divisions.

NATIONAL GUARD MILITARY YOUTH CORPS

The conferees agree with the Senate that the National Guard could provide an invaluable service in assisting young, unemployed high school dropouts to become productive members of society. The conferees, therefore, direct that the National Guard Bureau prepare a detailed plan, to present to the Committees on Appropriations no later than April 30, 1992, to establish such a program. The plan to be developed by the Bureau should be designed to demonstrate how disadvantaged youth can be reclaimed through a rigorous program, based on a military model, of education, personal and skills development, and work in service to their communities. The program should be preventive rather than remedial and should be designed to assist these young people before they become involved in the criminal justice system.

The conferees believe that the initial, demonstration sites for this program should be Camp Dawson, West Virginia, and Camp Gruber, Oklahoma, and that the capabilities of these sites should be taken into account in designing the program.

The conferees agree that both the Army and Air National Guards should be involved in this effort and that up to $2,000,000 of funds available in the "operation and maintenance" accounts be used only for this purpose.

RESERVE PERSONNEL, ARMY

Amendment No. 6: Appropriates $2,298,800,000 as proposed by the Senate instead of $2,320,800,000 as proposed by the House.

The conferees recommend an additional $106,000,000 to fund a fiscal year 1992 end strength of 308,000 and force structure level of 310,000.

RESERVE PERSONNEL, NAVY

Amendment No. 7: Appropriates $1,714,600,000 instead of $1,718,600,000 as proposed by the House and $1,710,600,000 as proposed by the Senate.

The conferees recommend an additional $66,000,000 to fund a fiscal year 1992 end strength and force structure level of 144,000. Included within this amount is the Craft of Opportunity Program. The P-3 program is addressed at amendment no. 163.

RESERVE PERSONNEL, MARINE CORPS

Amendment No. 8: Appropriates $348,900,000 instead of $354,900,000 as proposed by the House and $342,400,000 as proposed by the Senate.

The conferees recommend an additional $22,000,000 to fund an end strength and force structure level of 42,400.

RESERVE PERSONNEL, AIR FORCE

Amendment No. 9: Appropriates $718,900,000 instead of $721,500,000 as proposed by the

House and $715,100,000 as proposed by the Senate.

The conferees recommend an additional $12,400,000 to fund an end strength and force structure level of 83,396 and $1,200,000 for the WC-130 Weather Reconnaisance Mission.

Both the House and Senate included a general provision which prohibits funds to reduce or disestablish the 815th Tactical Airlift Squadron of the Air Force Reserve if such action would reduce the WC-130 Weather Reconnaissance Mission below the levels funded in this Act. The conferees agree that the Air Force and Air Force Reserve are to dedicate 10 PAA/2 BAI aircraft, 14 full-time and 3 part-time air crews, and 1,600 flying hours to this mission.

NATIONAL GUARD PERSONNEL, ARMY

Amendment No. 10: Appropriates $3,326,700,000 instead of $3,395,700,000 as proposed by the House and $3,320,400,000 as proposed by the Senate.

The conferees recommend an additional $125,000,000 to fund an end strength of 440,000 and a force structure level of 450,000.

NATIONAL GUARD PERSONNEL, AIR FORCE

The conferees agree to appropriate $1,450,500,000 for National Guard Personnel, Air Force as proposed by both the House and Senate.

CLASSIFIED MISSIONS FOR AIR NATIONAL GUARD

The conferees agree to language contained in the Classified Annex and report concerning certain classified Air National Guard programs.

TITLE II OPERATION AND MAINTENANCE

A summary of the conference agreement on items in conference is as follows:

[Amounts in thousands of dollars]

Summary	Budget	House	Senate	Conference
Army	21,886,800	18,362,945	20,913,805	17,722,903
Navy	23,934,200	21,394,932	23,012,390	21,079,548
Marine Corps	1,894,600	2,082,500	2,109,665	1,892,110
Air Force	20,342,900	17,660,213	19,242,014	17,180,259
Defense Agencies	8,794,800	18,599,037	8,635,768	16,408,161
Army Reserve	937,200	995,600	962,200	968,200
Navy Reserve	816,100	825,500	840,600	825,500
Marine Corps Reserve	75,900	85,900	81,700	81,700
Air Force Reserve	1,075,400	1,091,200	1,077,000	1,078,700
Army National Guard	2,080,700	2,165,600	2,125,800	2,125,800
Air National Guard	2,287,800	2,275,700	2,276,300	2,281,300
National BRD for the promotion of rifle practice, Army	5,000	5,000	5,000	5,000
Court of Military Appeals	5,500	5,500	5,500	5,500
Environmental restoration, Defense	1,252,900	2,152,900	1,183,900	1,183,900
Humanitarian assistance	13,000	15,000	13,000	15,000
World University Games	0	3,000	1,000	3,000
Summer Olympics			2,000	2,000
Real property maintenance, Defense			1,000,000	500,000
Total, Operation and Maintenance	85,402,800	87,720,527	83,487,642	83,358,581

BUDGET JUSTIFICATION MATERIALS

To improve the information available on the execution and budgeting of operation and maintenance (O&M) appropriations, Section 8034 requires the Department to submit an "O-1" as part of its justification materials supporting the fiscal year 1993 O&M request. The conferees agree that the O-1 shall be treated as the base for reprogramming actions and execution of O&M funds, as the P-1 and R-1 are for procurement and RDT&E appropriations, respectively.

The conferees direct the Department to work with the Committees on Appropriations of the House and Senate to determine the exact details of this and other O&M justification materials.

PRICE CHANGES AND ANNUAL BUDGETING

The conferees agree with the Senate that each of the Services should provide the Committees with more timely and accurate data on price changes not reflected in their individual budget requests. All too often, contract adjustments resulting in price swings of millions of dollars are omitted from service budget estimates because an efficient mechanism does not exist for integrating this information into the budget prior to its submission, or during the course of its consideration by the Committees. As a result, the conferees believe they are being deprived of information critical to their budget deliberations and that in the process, the Department may be disadvantaged.

The conferees agree with the Senate's decision to continue the General Accounting Office's (GAO) review of the Department's financial management practices as they affect price changes and the annual budgeting process. The conferees are concerned by the conclusions reached by the GAO in its review of the Air Force budgeting of repairable items and expects that each of the Services and Defense Agencies will provide both timely and accurate pricing information to the Committees as part of their fiscal year 1993 budget submission.

DEPOT MAINTENANCE

In hearings on the 1992 Defense Appropriations request, both the House and the Senate expressed concern about deferred depot maintenance levels assumed in the budget, particularly the Navy. To address these concerns, the conferees agree to provide additional funds for retiring the services' depot maintenance backlogs expected in fiscal year 1992. In the case of the Navy, the conferees provide an additional $400,000,000; of this amount, $150,000,000 shall be used to retire aviation backlogs and $250,000,000 to retire ship maintenance backlogs. The additional funds for ship depot maintenance shall be used for reducing overhaul backlogs and other ship maintenance in accordance with a plan submitted by the Navy. Some details of that plan are provided in Senate report 102-154.

The conferees again endorse the Department's efforts to foster competition among its depot maintenance facilities and between these facilities and the private sector. The conferees note that, with respect to Section 1820, vehicles include all tracked weapons systems as well as wheeled vehicles.

The conferees agree to the following depot maintenance levels for the DD 1414, Base for Reprogramming:

	Amounts
Army	$977,600,000
Navy	4,540,500,000
Marine Corps	98,900,000
Air Force	1,682,800,000

The conferees understand that once the Department decides the proper distribution of the reductions which affect more than one budget activity, the depot maintenance levels specified above may change. The Department is directed to obtain approval from the Committees on Appropriations of the House and Senate of any such changes before preparation of the DD 1414, Base for Reprogramming.

REAL PROPERTY MAINTENANCE

The conferees agreed to establish the Real Property Maintenance, Defense account under the control of the Comptroller of the Department of Defense. Funding of $500,000,000 is provided to cover repair and maintenance costs deferred in the Administration's request.

The Comptroller is directed to make funding allocations based on prioritized lists of repair projects submitted by the military services. Further, the Comptroller is directed to provide the Committee on Appropriations of the House and Senate a report, no later than April 1, 1992, detailing the funding allocations made to the services. The report shall include a list of projects funded, deviations from service project priorities, and the justification for changes in departmental priorities. The funding allocations shall be made no later than March 1, 1992. The conferees take this action because of their continuing frustration with the services, repeated attempts to use real property maintenance funds for other purposes after having justified to the Committees the high priority need for such funds.

The conferees also support the implementation of a pilot program to conduct comprehensive maintenance surveys of many of our critical military bases in the U.S. A list of those bases to be surveyed in 1992 is provided in Senate report 102-154. The conferees agree to include in that list Fort Knox, Kentucky. The conferees direct the Department to use funds from this account to cover the costs of these surveys.

REVOLVING FUND EXCESS CASH

Because purchases of supplies and transportation services substantially increased as a result of Operation Desert Shield/Storm, the Department's stock and industrial funds ended fiscal year 1991 with cash assets in excess of those planned in the budget request. To take advantage of these excess cash assets, the Department is directed to transfer from the revolving funds to the O&M appropriations the following amounts: to Operation and Maintenance, Army $150,000,000; to Operation and Maintenance, Navy $200,000,000; to Operation and Maintenance, Air Force $150,000,000; and to Operation and

Maintenance, Defense Agencies $100,000,000. Reductions are made to each account listed above in the same amount as will be transferred. Section 8007 permits the Department to effect these transfers.

MEALS-READY-TO-EAT

The conference agreement provides for the fiscal year 1992 procurement of 3.6 million cases of MREs, the quantity determined to be necessary to sustain an industrial base capable of responding to unanticipated surge requirements. The conferees direct the Department to work with the MRE industry to determine the future minimal procurement sustainment rate to maintain a viable industry. DLA/DPSC is directed to develop, in concert with industry representatives, an implementation plan for the period 1993–1995 that takes into consideration the following additional components; (1) a three-year shelf-life for MRE stocks, with rotating stocks eligible and channeled for use in domestic and international disaster and famine relief efforts as emergencies arise, as well as aid to the homeless; and (2) alternative uses such as the Foreign Military Sales Program, domestic law enforcement (including drug interdiction activities), firefighting and other governmental uses. The conferees direct that this plan, to be developed jointly with industry representatives, should be submitted to the Congress with the fiscal year 1993 budget. The conferees further direct the Department to cooperate with the MRE industry to develop alternative menus to the current DPSC specifications in order to provide a more attractive, balanced, and palatable selection of entrees for the field ration feeding system.

COMBAT BOOTS

The conferees remain concerned about the fragile industrial base to support the production of combat boots. Even though combat boots are essential to readiness of our forces, the Department continues to order them in a irregular manner which creates uncertainty in the industry and results in unnecessarily high costs to the taxpayer. Therefore, the conferees direct the Services to purchase Direct Molded Sole (DMS) combat boots in 1992 from the Defense Logistics Agency in an amount no less than $70,000,000. DLA is directed to provide to the Committees on Appropriations of the House and Senate by April 1, 1992 a report describing the levels of DMS combat boot purchases necessary to sustain this defense industrial base over the next several years.

ADVERTISING

The conferees believe that the Department should reassess the services' individual advertising budgets considering the personnel reduction that is presently occurring. Accordingly, the conferees have agreed to reduce the Army advertising budget by $2,300,000, the Navy advertising budget by $500,000, and the Air Force advertising budget by $200,000.

HOMEOWNERS ASSISTANCE FUND

The conferees request that the Department study the option of expanding the Homeowners Assistance Fund (42 United States Code 3374 and 10 United States Code 2832) to include those homeowners who have been involuntarily separated due to the force structure drawdown and are forced to move elsewhere for employment. The Department should consider among the options studied, the costs and benefits of buying back involuntarily separated members' homes at the original cost and then either using these homes for base housing or selling them to private individuals. A report should be submitted to the Committees on Appropriations of the House and Senate no later than May 15, 1992, containing the Department's views on this proposal.

SECURITY LOCK TECHNOLOGY

The conferees recognize the critical importance of safeguarding national security information against unauthorized disclosure and support the efforts of the General Services Administration (GSA) and the Defense Department to upgrade security technology. The conferees, however, are concerned that sensitive national security materials may be unduly compromised through the continued use of outmoded locking and storage technologies. Therefore, the Department of Defense, in consultation with GSA, is directed to prepare a report assessing the current state-of-the-art in storage and self-powered lock technology. The report should include the impact on national security posed by the continued use of mechanical combination locks and other obsolete security technology. This report is to be submitted to the relevant Congressional oversight committees no later than April 1, 1992.

SPARE PARTS INVENTORY

The conferees believe that the Department has undertaken important efforts to reduce its inventory of unneeded spare parts and supplies. But the conferees also believe that more needs to be done. Although no reductions to the operation and maintenance accounts are made based on excess spare parts inventory, the conferees agree to Section 8102 which prohibits the Department from incurring obligations against the stock funds in excess of 80 percent of sales from such funds in 1992. Exceptions for certain categories of purchases are granted in this provision to avoid any adverse impact on force readiness.

In light of the expected increase in unneeded spare parts resulting from Operation Desert Shield/Storm, the conferees provide no additional funds for the purchase of spare parts. The conferees, however, strongly urge the Department to allocate sufficient funds for the purchase of mission-essential spares and repair parts and war reserve items. The conferees believe that, notwithstanding the current fiscal environment, the Department must not repeat mistakes which led to the "hollow forces" of the 1970's.

CIVILIAN PERSONNEL INVOLUNTARY SEPARATION INCENTIVES

The conferees are concerned that equitable opportunities be provided to Defense civilian employees who may face involuntary separation under the revised base force. Therefore, the Department of Defense is directed to submit a report to the Committees on Appropriations detailing plans for addressing hardships posed by federal civilian involuntary separations no later than March 31, 1992.

FOREIGN NATIONAL PAY

The conferees have made minimal reductions to the budget request for foreign national pay in the belief that the Department's plans for an orderly reduction in European force levels have been adversely impacted by Operation Desert Shield/Storm. Nevertheless, the conferees view this situation as temporary and remain committed to a significant cutback in the number of foreign hires as the peacetime deployment of American forces overseas diminishes.

The conferees remain concerned that United States allies have been unable, or unwilling, to meet their fair share of the costs of the common defense, in particular, the costs of foreign nationals supporting U.S. military units in Europe. The conferees request the Department of Defense, working with the Department of State, to seek new burden sharing arrangements with our allies that will reduce the cost of both European and Pacific defenses, reductions that will be reflected as significant savings in the Department's budget requests for fiscal years 1993 and 1994.

HEADQUARTERS REDUCTIONS

The conferees agree to a reduction in the budget for selected headquarters accounts of approximately 10 percent. This action reflects a reduction in civilian personnel levels proportional to the reductions taken in other activities. The conferees believe that the Department must make a greater effort to eliminate the number of unneeded or redundant headquarters billets as the manning levels for both the active and reserve forces decline. The conferees will look to such reductions as a measure of the Department's commitment to streamlining under its Defense Management Review initiative.

DEFENSE CONVERSION COMMISSION

The conferees support the creation of the Defense Conversion Commission as described in Senate Report 102–154. Further, the conferees expect the Department of Defense and other executive agencies to work closely with Congressional members and staff to assure the expeditious establishment and success of this commission.

BASE CLOSURE CONVERSIONS

The conferees direct the Secretary of Defense, in consultation with the Secretary of Health and Human Services, the Attorney General, and the Director of National Drug Control Policy, to conduct an assessment of each of the military bases scheduled to be closed under the base closure process initiated by Public Law 100–526 (102 Stat. 2627) and part A of title XXIX of PL 101–510 (104 Stat. 1808) to determine the suitability of those bases for conversion to "boot camp" style prisons, pretrail detention centers, or drug treatment centers. The Secretary shall prepare a report in which he will identify at least ten bases which could be converted and used to assist state and local governments to ease overcrowding in prisons, pre-trial detention centers, and drug treatment programs. The report must include information on the housing capacity of each base, an explanation of the necessary steps that must be taken to convert each base, and an estimate of the cost of the conversion. The conferees also direct the Secretary to submit this report to the House and Senate Appropriations Committees by May 1, 1992.

BASE EQUIPMENT DISPOSAL

The conferees are concerned over reports that the Department of Defense, in preparation for closing down bases that were selected under the most recent base closure review process, may in specific cases be dismantling bases to such an extent that their transition to post-military use may be compromised. The conferees approve of the Department's removing of mission-related and logistics equipment that is of sufficient value to justify the cost of its packing and shipping to a new location. However, the conferees direct the Department to consider not removing, in connection with the closure or realignment of a military installation pursuant to the Base Closure and Realignment Act of 1990 (10 U.S.C. 2687), any equipment (other than mission-specific and logistics equipment) or fixture that is located at the installation and would be suitable for use

by a governmental or private entity obtaining real property at the installation unless the removal is approved by each non-federal entity recognized by the Secretary as developing an alternative use plan for the installation.

RELIEF SOCIETIES

The Supplemental to Provide Aid to Refugees and Displaced Persons In and Around Iraq for Fiscal Year 1991 provided $16,000,000 to the military relief societies from interest accrued in the Defense Cooperation Account. The conferees understand that those funds have provided valuable assistance to service members who were involved in Operation Desert Shield/Storm. The conferees agree that this is but one small way to express their gratitude to the brave men and women in uniform who participated in Operation Desert Shield/Storm.

BIG BROTHERS/BIG SISTERS OF AMERICA

The conferees commend Big Brothers/Big Sisters of America (BB/BSA) for their interest in setting up programs at military bases to provide volunteer adult mentors to military dependents. The conferees believe that the Department should use volunteer mentors like BB/BSA whenever possible, and not pay for this service as it is presently doing in another test program.

The conferees believe that mentor programs should be addressed at the local level, with local base commanders ultimately deciding whether to enter into agreements with BB/BSA, such as the recent agreement entered into by the NATO base at Keflavik, Iceland.

The conferees believe that BB/BSA could be helpful in training personnel to develop mentor program and further believe that this purpose can be accomplished by incorporating a training segment into existing training opportunities for family support directors and family advocacy staff. These training opportunities are held regularly during the year by the military services at various locations across the country. The conferees request that the Department of Defense explore this option of having BB/BSA provide a representative, at the request of and to be reimbursed for reasonable expenses by the pertinent military service, to conduct training seminars during regularly scheduled training sessions. These seminars would have an additional advantage of making BB/BSA.

PARTICIPATION OF WORKSHOPS FOR THE BLIND AND HANDICAPPED

Section 8082 has been amended to extend a pilot project which grants authority for businesses providing supplies and services to the Department of Defense to credit amounts subcontracted to qualified nonprofit agencies for the blind or other severely handicapped as part of their subcontracting goal pursuant to section 8(d) of the Small Business Act.

OPERATION AND MAINTENANCE, ARMY

Amendment No. 11. Restores heading.

Amendment No. 12: Appropriates $17,722,903,000 instead of $18,362,945,000 as proposed by the House and $20,913,805,000 as proposed by the Senate.

The conference agreement on items in conference is as follows:

[Amounts in thousands of dollars]

Operation and maintenance, Army	Budget	House	Senate	Conference
Medical Programs	3,319,081	0	3,319,081	0
Department Headquarters		−36,000		−4,000
Travel (TDY)		−73,000	−28,000	−50,500
Major Commands Headquarters		−80,800		−20,000
AMC HQ		−15,000		−12,000
Classified Program		−254,324	−142,700	−43,791
DSOF Transfer	0	−407,200	−125,400	−125,400
Reserve/Guard offset		−20,000		0
Total Package Fielding (Proc Transfer)		170,000		0
Fort Bragg Education Demonstration Project				10,000
Fort Irwin Education Demonstration Project	0	22,000		22,000
Benefits transfer from OSD	0	30,200		0
Advertising				−2,300
Base Closure Contingency		−41,000		−41,000
Excess Inventory		−90,000		
Foreign National Employees		−110,000		−33,000
Combat Training Center		20,000	20,000	20,000
AAFES European Headquarters Relocation		8,000		8,000
Transient Lodging/Billeting		−70,000		−35,000
Memorial Day & July 4th Celebration		700		700
Airborne & Special Operations Museum		4,000		4,000
National D-Day Museum		4,000		4,000
Monterey Institute of International Studies		6,800		6,800
Meals-Ready-to-Eat		67,700		37,000
Real Property Maintenance Backlog		450,000		
Depot Maintenance Backlog		36,800		25,000
Spares and Repair Parts		152,000		
Umatilla Army Depot		350		350
New Training Helicopter Lease		−30,000		
Army Training Operations			150,000	150,000
Second Destination Transportation			−60,000	−60,000
Reproduction/printing			−15,000	−15,000
Personnel Adjustment			1,000	1,000
Civilian Personnel Underexecution			−27,700	
Foreign Currency Repricing			−510,200	510,200
Revolving Fund Excess Cash			−100,000	−150,000
CIM/other ADP			−77,895	−59,925
Purchases inflation reestimate			−48,900	−48,900
Chemical Equipment & Training		50,000		50,000
Army Environmental Policy Institute	(3,000)			1,500
Arms Control			11,800	11,800
Finance activities			−20,000	
Cold-wet weather boots				2,000
Joint Mil-Civ Airport Study				250
POW/MIA Office				5,000
Ft. Riley Railyard Study				6,800
Total, Army	21,571,694	18,362,945	20,913,805	17,722,903

Amendment No. 13: Deletes House language which earmarks funds for Depot Maintenance, Real Property Maintenance and Spares and Repair Parts, and prohibits the Department from obligating these funds before September 1, 1992.

Amendment No. 14: Restores House language which earmarks $350,000 for the 1992 Memorial Day Celebration; $350,000 for the 1992 Capitol Fourth Project; $4,000,000 for a grant to the National D-Day Museum Foundation; $4,000,000 for a grant to the Airborne and Special Operations Museum Foundation; $350,000 to the Oregon Department of Economic Development; earmarks $38,000,000 for the Extended Cold Weather Clothing System instead of $40,000,000 proposed by the House and $26,000,000 as proposed by the Senate; $22,000,000 for Fort Irwin Education Demonstration Project, California; deletes Senate langauge which earmarks $20,000,000 for the Army's Combat Training Centers; and inserts language which earmarks $2,000,000 for intermediate cold-wet weather boots and $10,000,000 for Fort Bragg Education Demonstration Project.

COLD-WET WEATHER BOOTS

The conferees agree to provide an additional $2,000,000 to procure cold-wet weather boots. This will ensure that all personnel stationed at extremely cold weather areas are issued a pair of cold-wet weather boots.

Amendment No. 15: Inserts Senate language which earmarks $250,000 for a joint military and civilian airport at Manhattan, Kansas.

Amendment No. 16: Inserts Senate language which earmarks $4,500,000 for the Army Environmental Policy Institute.

Amendment No. 17: Inserts Senate language which earmarks $5,000,000 for the U.S. Office for POW/MIA Affairs in Hanoi.

Amendment No. 18: Inserts Senate language which earmarks $6,800,000 for the railyard facilities at Fort Riley, Kansas.

YAKIMA FIRING CENTER

The conferees direct the Army to enter into a Memorandum of Agreement with the Yakima Indian Nation prior to utilizing any of the expansion area for training purposes to ensure protection of Treaty rights includ-

ing access as well as protection of lands, fish and wildlife, cultural, archeological and other tribal concerns. The Army also is directed to establish a Cultural and Natural Resources Committee consisting of representatives from the Yakima Indian Nation, the Wanapum people, appropriate federal agencies, and appropriate State agencies and local elected officials from the affected area appointed by the Governor of the State of Washington, in order to assist in the proper management of all training center lands. This direction is consistent with that provided in House Report 102-236, the fiscal year 1992 Military Construction Appropriations Conference Report.

HELICOPTER STUDY

The conferees support Army/Marine efforts to find alternative, quality, training facilities for United States armed forces overseas. The study of U.S. Army/Marine helicopter training, maintenance and prepositioning opportunities in Israel is to be carried out as part of a continuing effort to identify more cost effective ways to enhance operational readiness, improve logistical support, search and rescue, and provide for realistic training in desert and coastal environments, including naval, amphibious, ground and air operations. The conferees direct the Secretary of the Army, in conjunction with the RAND Corporation, to include in their study an analysis of any other opportunities in Israel which might support combined arms training such as heavy mechanized equipment including, but not limited to, tanks, and self-propelled artillery. The conferees direct that the Terms of Reference (TOR) be provided to the Committees no later than January 1, 1992 and a completed study no later than June 15, 1992.

2.5 TON TRUCK SPARE ENGINES AND ENGINE SPARE PARTS

The conference agreement includes $20,000,000 for the procurement of 2.5 ton truck engines and spare parts. Of this amount, $10,000,000 is for new spare engines and $10,000,000 is for engine spare parts. The conferees agree that this is the last time that new spare engines for the current 2.5 ton truck will be funded. The conferees further agree that the procurement funded in this conference agreement shall not result in the reduction or modification of existing contracts for the overhaul of 2.5 ton truck engines being performed at Tooele Army Depot.

CONTRACTOR LOGISTICS SUPPORT

The conferees are extremely distressed that the Department of the Army decided to ground Army National Guard aircraft because of an internal struggle on funding. Unless and until the Army National Guard is provided a sufficient funding level for contractor logistics support for their aircraft, funding should be available in Operation and Maintenance, Army. In order not to have a similar problem next year, the conferees direct the Department of the Army and the Army National Guard to decide which appropriation should include contractor logistics support for Army National Guard unique aircraft and budget the necessary funds accordingly.

In addition, the conferees agree that $8,000,000 should be provided for contractor logistics support for the C-23 aircraft being transferred from the Air Force. An additional $8,000,000 is provided in procurement for engine upgrades for these aircraft. Contractor logistics support and upgrades should be performed in conjunction with the existing C-23 contractor logistics support program that is currently being provided to the Army National Guard.

ARMY CORPS OF ENGINEERS

Both the House and Senate bills included section 8119 which prohibits funds to implement the United States Army Corps of Engineers Reorganization Study until such reorganization is specifically authorized by law after the date of enactment of this Act.

The conferees agree that this section is not intended to preclude or delay the expenditure of funds for the purpose of continued planning and analysis to implement a reorganization and realignment of the Army Corps of Engineers.

WALTER REED ARMY INSTITUTE OF RESEARCH (WRAIR)

Within the funds appropriated for Real Property Maintenance, $2 million shall be available for major repairs of facilities at the WRAIR Forest Glen site. The conferees agree that these funds shall be in addition to those currently identified for any planned projects at WRAIR.

UMATILLA ARMY DEPOT

The conferees agree on the seriousness of the chemical weapons contamination problem at the Umatilla Army Depot and the need for the Department of Defense to undertake remediation efforts as it realigns the facility under the terms of the Base Closure Act. Therefore, the conferees agree to provide $350,000 to initiate these efforts and direct the Department to provide these funds to the Oregon Department of Economic Development for the creation of a comprehensive, long-term plan for the protection and productive development of area resources as the Army proceeds with the phasedown, cleanup and mitigation of the Umatilla Army Depot.

AIR BATTLE CAPTAIN

The conferees direct the Army to continue for fiscal year 1992 its demonstration program to place helicopter pilots graduated from the University of North Dakota in advanced helicopter pilot training, including the admission of 15 new pilot trainees to this program. The conferees urge the Army and the University of North Dakota to develop a contractual arrangement in future fiscal years to continue this program.

MONTEREY INSTITUTE OF INTERNATIONAL STUDIES

The conferees agree to provide the Army with an additional $6,800,000 to make available to the Monterey Institute of International Studies. The Secretary of the Army shall make the funds available to the Institute no later than ninety days after enactment of this Act.

PANAMA CLAIMS

The conferees recognize that Operation Just Cause had many unforeseen consequences, among them the unintentional personal injury and loss of life suffered by civilian non-combatants. The conferees note that while the United States, as a matter of law, is not liable for wrongful death and injury claims arising from a state of war, there may be extraordinary cases in which, for foreign policy or humanitarian reasons, compensation should be considered.

The conferees believe that because of the special relationship between the United States and Panama arising out of the Panama Canal Treaty, this issue deserves closer examination. Therefore, the conferees urge the President to establish an inter-agency working group to impartially examine the issue of wrongful death and injury claims arising from Operation Just Cause. The working group should report, no later than June 1, 1992, on: (1) the facts surrounding these claims and (2) the full range of arguments for and against honoring these claims, including any obligations under the Panama Canal Treaty.

Furthermore, the conferees urge the President to consider requesting compensation for wrongful death and injury claims arising from Operation Just Cause, where appropriate, and consistent with the findings of the inter-agency working group.

OPERATION AND MAINTENANCE, NAVY

Amendment No. 19: Appropriates $21,079,548,000 instead of $21,394,932,000 as proposed by the House and $23,012,390,000 as proposed by the Senate.

The conference agreement on items in conference is as follows:

[Amounts in thousands of dollars]

Operation and Maintenance, Navy	Budget	House	Senate	Conference
Medical Programs	2,432,735	0	2,432,735	0
Advertising				-500
Administration and Associated Activities	666,512	666,512	666,512	666,512
SecNav and CNO Staff Offices		-19,000		-7,000
Support to Other Nations	5,965	5,965	5,965	5,965
ADP Management		500	0	500
Travel (TDY)		-70,000	-16,700	-43,300
Reserve/Guard offset		-10,000		0
Classified programs		-99,793	-81,900	-2,100
Benefits transfer from OSD		13,750		0
DBOF Transfer		-707,900	-199,200	-199,200
Base Closure Contingency		-50,000		-50,000
Excess Inventory		-100,000		
QOL Improvement, Naples		5,000		5,000
NAVEUR Management HQ		-5,000		-5,000
Naval Systems Commands headquarters			-11,000	-11,000
Naval Sea Systems Command Mgmt Hq		-25,000		
Naval Air Systems Command Mgmt Hq		-25,000		
Space & Naval Warfare Sys Comd Mgmt Hq		-25,000		
Naval Supply Systems Command Mgmt Hq		-25,000		
Naval Facilities Engrg Comd Mgmt Hq		-25,000		
Foreign National Civilians		-50,000		-7,500
Transient lodging/billeting		-20,000		-10,000

[Amounts in thousands of dollars]

Operation and Maintenance, Navy	Budget	House	Senate	Conference
Model Recycling Center		210		210
Naval Undersea Museum		2,100		2,100
Depot Maintenance Backlog		600,000	250,000	400,000
Real Property Maintenance Backlog		330,000		
Spares and Repair Parts		168,000		
Meals Ready to Eat		600		400
Sealift Preposition/Surge		30,000		30,000
Executive Agent—Maritime Prepositioning			−342,000	
Revolving Fund Balances			−150,000	−200,000
Civilian Personnel underexecution			−39,923	−39,923
Foreign currency repricing			−50,800	−50,800
CIM/other ADP			−70,487	−66,904
Purchases inflation reestimate			−53,500	−53,500
Arms Control			−27,400	−27,400
Finance Activities			−20,000	
Transfer from DCA			−270,000	−270,000
Shipyard Modernization			78,000	78,000
Delayed decommissionings/operations			17,000	17,000
Antarctic logistics			105,000	105,000
Servicewide Transportation			−19,800	−19,800
Reproduction/printing			−20,000	−20,000
Naval Observatory			900	900
USS Blueback Museum				1,600
Fenwick Pier demonstration project				1,000
2.5 ton truck engine & spares				20,000
Mokapu Interment				300
Total, Navy	23,934,200	21,394,932	23,012,390	21,079,548

Amendment No. 20: Deletes House language which earmarks funds for Depot Maintenance, Real Property Maintenance and Spares and Repair Parts, and prohibits the Department from obligating these funds before September 1, 1992 and inserts Senate language which earmarks $78,000,000 for shipyard modernization and makes these funds available for obligation until September 30, 1994.

Amendment No. 21: Restores House language which directs that facilities, activities and personnel levels at the Memphis Naval Complex in Millington, Tennessee, be maintained at fiscal year 1984 levels; earmarks $2,000,000 for facilities improvement at Port of Haifa, Israel; inserts language which earmarks $1,600,000 for USS Blueback Museum and $300,000 for Mokapu Interment; inserts language on the transportation of a bell to Bennington, VT, depot maintenance subcontracting and Antarctic logistical support.

HAIFA PORT

The conferees agree to provide $2,000,000 for a study of the technical requirements, and cost, of making the Port of Haifa capable of fully supporting the repair, supply and prepositioning needs of the United States Sixth Fleet in both peace and war. The conferees direct the Secretary of the Navy to provide the Committees with Terms of Reference (TOR) for the study no later than January 1, 1992 and a completed study no later than July 1, 1992. The conferees believe that this study is consistent with post-Gulf War Administration policy which seeks to increase the U.S. Naval presence in the Middle East. Furthermore, the conferees agree with the Senate position that in the high threat environment of the Middle East, where U.S. economic and political interests are paramount, our naval forces must have access to the best possible support facilities, to enhance readiness, promote high morale, maintain operational security and perform work at competitive rates. As the size of the U.S. surface fleet diminishes and on-station time of our carrier battle groups increases, secure and reliable overseas repair and reprovisioning support will become more vital. The conferees recognize the significant range of quality services which Haifa facilities already perform for the Sixth Fleet and believe that an upgrade evaluation is warranted.

MOKAPU REMAINS REBURIAL

The conferees agree to provide funding of $300,000 for the repatriation and reburial of skeletal remains from the more than 1,000 Native Hawaiian graves disturbed by the construction of Kaneohe Marine Corps Air Station at Mokapu. The Navy and Marine Corps shall work with the Office of Hawaiian Affairs to assure that sufficient access to the Mokapu lands is granted so that the repatriation and reburial may proceed apace.

U.S.S. "BLUEBACK"

The conferees agree to provide $1,600,000 for the restoration and installation of the submarine U.S.S. *Blueback* at the Oregon Museum of Science and Industry. The submarine, presently based in Bremerton, Washington, will be used to initiate a program in ship design and oceanography.

ANTARCTIC LOGISTICS

The conferees agree to provide funding for Navy environmental and logistics support of the U.S. Antarctic program managed by the National Science Foundation. Funding of $30,000,000 is provided for environmental and safety programs and $75,000,000, derived from rescissions of funds provided in Public Law 102-139 and prior year Acts, is made available for logistics support.

The conferees direct that no reductions be made in funds currently available or planned for expenditure for Arctic research activities under the rescissions included under this heading. No funds should be reduced in any on-going or planned Arctic research programs to offset any cuts in other National Science Foundation activities due to this rescission to support the costs of Antarctic research activities.

NAVY SHIP MAINTENANCE

The conferees support the Navy's efforts to compete ship repair work between public and private shipyards. The conferees believe the Navy has realized substantial cost savings through this initiative, and has maintained an essential private sector industrial base for shipbuilding and repair. The Navy should assure that any reductions in maintenance workload do not fall disproportionately on private sector shipyards. The Secretary of the Navy shall provide the House and Senate Committees on Appropriations a report detailing actual levels of spending on ship repair and maintanence in public and private sector shipyards for the fiscal years 1985 through 1991 and anticipated spending for fiscal 1992 not later than February 1, 1992.

SHIPYARD MODERNIZATION

An additional $78,000,000 is provided for Naval shipyard modernization projects. These funds are to be used to purchase new portal cranes and other equipment consistent with a plan submitted by the Navy. Of the additional funds provided, $10,000,000 shall be used to purchase equipment for Pearl Harbor Naval Shipyard to establish nuclear refueling capabilities there for SSN-688 class submarines by 1997.

The conferees applaud the efforts of the Department to improve its operations through management reforms. Yet, they are concerned that too little attention has been paid to making prudent, timely investments in training and modernization programs that will enable the Department to meet its goals. Therefore, the conferees support Senate report language urging the Department to initiate programs which will improve its operations and offer a potential return on investment. Future Defense Department investment proposals are expected to meet the dual test of: (1) increasing productivity, and (2) offering a return on investment.

MHC HOMEPORTING

The House included direction to the Navy that it should continue to work with the State of Oregon to reach appropriate leasing arrangements for a facility for MHC-52 and MHC-55 at Astoria, Oregon. The conferees agree with the House, and expect this project to be fully underway and supported by the Navy in fiscal year 1992, and further encourage the Navy to sign a lease with the State no later than March 15, 1992 in order to avoid delays in the project schedule. The conferees have also provided $850,000 through the Office of Economic Adjustment as a community and state planning grant for the State of Oregon. These funds represent only a portion of the State's expenses and obligation to date in support of the Navy's mission, and are provided to assist with preliminary environmental and site preparation costs incurred by the State in response to the Navy's needs. The conferees commend the Navy for its cooperative partnership with the State on this project.

NAVAL SUPPORT ACTIVITY, NAPLES

The conferees direct the Navy to provide no less than $43,000,000 to NSA, Naples, to fund its operation and maintenance functions.

U.S.S. "LEXINGTON"

The conferees direct the Navy to evaluate the feasibility of returning the U.S.S. *Lexington* to Quincy, Massachusetts, for conversion to a museum. The Navy shall work with

Massachusetts Commonwealth and city officials to perform this evaluation. The Navy shall then provide, no later than May 1, 1992, results of the evaluation as well as a plan that includes a delivery schedule, total costs, and sources available (private and/or public) to fund the conversion to and operation of this museum.

RAYWAY RIVER

The conferees direct the Department of the Navy, in conjunction with the Army Corps of Engineers, to remove the old existing barge at the base of the Rayway River, Linden, New Jersey, and replace it with a new barge. In addition, the conferees expect the Navy and the Army Corps of Engineers will remove several other old and unsafe barges along that part of the river. The conferees direct the Navy to use $250,000 to accomplish the above work.

PHOTOGRAMMETRY

The conferees encourage the Navy to further develop applications for photogrammetry in pursuit of the economies demonstrated in previous applications, using both in-house resources and services obtained commercially. The conferees encourage the Navy to continue the photogrammetric effort resident in the Charleston Navy Shipyard, using that office to serve in a consulting/advisory capacity to other shipyards. The conferees believe, however, that during a time when the Navy is making personnel and end strength reductions, it should not establish new in-house photogrammetry systems beyond that available in Charleston Navy Shipyard. The conferees expect that the Navy will continue to obtain photogrammeric services from the private sector when it is cost effective using established public/private cost comparison techniques. The expertise resident in the Charleston Yard will be used to train Navy personnel on the proper use of this technology, so that proper specifications can be written and the quality of work and proposals obtained from the private sector can be evaluated.

PRINTING

In the report accompanying its version of the 1992 Defense Appropriations bill, the Senate directed that the Department's plan to consolidate printing activities meet certain requirements. The conferees support the requirements established in the Senate report and, in addition, direct the Department to submit to the Committees on Appropriations of the House and Senate and the Joint Committee on Printing the following:

An implementation plan identifying plants to be closed, maximum production capacities, equipment purchases, transfers and disposals, and expected personnel changes.

All supporting documentation verifying estimated savings associated with the implementation plan.

The conferees believe that consolidating printing activities could lead to budget savings but urge the Department to adhere to the principles established in title 44, United States Code, and Public Law 101–520, section 206 when implementing the consolidation. After careful review of these statutes, the conferees conclude that no appropriated funds should be expended to implement any consolidation of printing services until the detailed implementation plan and supporting documentation described above are submitted to the Appropriations Committees and approved by the Joint Committee on Printing.

OPERATION AND MAINTENANCE, MARINE CORPS

Amendment No. 22: Appropriates $1,892,110,000 instead of $2,082,500,000 as proposed by the House and $2,109,665,000 as proposed by the Senate.

The conference agreement on items in conference is as follows:

[Amounts in thousands of dollars]

Operation and Maintenance, Marine Corps	Budget	House	Senate	Conference
DBOF Transfer		−43,600	−7,900	−7,900
Chemical Equipment & Training		15,000		15,000
Depot Maintenance Backlog		27,200		18,000
Real Property Maintenance Backlog		70,000		
Spares and Repair Parts (Trf fr. Proc, MC)		78,000		42,000
Meals Ready to Eat		37,200		22,000
Executive Agent—Martime Prepositioning			342,000	
Support Equipment			−2,064	
Field Logistics			−2,366	
Base Operations			−14,927	
Base communications			−1,132	
Supply operations			−3,309	
Second destination transportation			−1,155	−1,155
ADP administration			−3,135	−3,135
Staff management support			−2,247	−1,100
Civilian personnel underexecution			−4,500	−2,000
Transfer from DCA			−75,000	−75,000
Foreign currency repricing			−5,000	−5,000
Purchases inflation reestimate			−4,200	−4,200
Benefits transfer from OSD		4,100		0
Total, Marine Corps	1,894,600	2,082,500	2,109,665	1,892,110

Amendment No. 23: Deletes House language which earmarks funds for Depot Maintenance, Real Property Maintenance and Spares and Repair Parts, and prohibits the Department from obligating these funds before September 1, 1992.

Amendment No. 24: Deletes House language making $296,195,000 subject to authorization.

Amendment No. 25: Inserts Senate language which provides that $3,000,000 be made available from within existing resources for the Marine Corps New Parent Support Program. The conferees agree that the New Parent Support Program shall fall under the policies and jurisdiction of the Assistant Secretary of Defense for Force Management and Personnel, in common with other elements of the Family Advocacy Program.

SPARES AND REPAIR PARTS

The conference agreement includes the funding level proposed by the House for Marine Corps spares and repair parts. With respect to replenishment spares, the conferees see no reason for treating the funding of these items differently from the rest of the Department of Defense. The Marine Corps, as a component of the United States Navy and Department of Defense, is directed to work with the Office of the Secretary of Defense to develop a budgeting mechanism which is compliant and acceptable to DoD standards. The Marine Corps shall report to the committees on the results of these discussions. If additional procurement resources are required to implement the agreement, they may be transferred, with prior approval, from available funds.

A–76 STUDY, CHERRY POINT MCAS, NORTH CAROLINA

Both the House and Senate versions of the fiscal year 1992 Defense Appropriations Bill prohibit the Marine Corps from converting in-house functions of facility maintenance, utilities and motor transport at Cherry Point Marine Corps Air Station to contractor provided services until General Accounting Office (GAO) validates the A–76 cost study used to support the proposed conversion. GAO has completed its analysis of the A–76 study and reported that the study suffered from several major deficiencies and thus could not validate the Marine Corps' decision to convert these activities to contract. Therefore, the conferees direct the Marine Corps to refrain from converting these activities to contract. If the Marine Corps decides to study these functions again, it must start the A–76 process over again, to include Congressional notification to restudy.

OPERATION AND MAINTENANCE, AIR FORCE

Amendment No. 26: Appropriates $17,180,259,000 instead of $17,660,213,000 as proposed by the House and $19,242,014,000 as proposed by the Senate.

The conference agreement on items in conference is as follows:

[Amounts in thousands of dollars]

Operation and Maintenance, Air Force	Budget	House	Senate	Conference
Medical Programs	2,252,635	0	2,252,635	0
Central Supply	3,730,157	3,730,157	3,730,157	3,730,157
Advertising				−200
Administration and Associated Activities	544,130	544,130	544,130	544,130
AF Department Headquarters		−11,600		−5,800
Support to Other Nations	9,298	9,298	9,298	9,298
Travel (TDY)		−51,800	−39,000	−45,400

[Amounts in thousands of dollars]

Operation and Maintenance, Air Force	Budget	House	Senate	Conference
Classified Programs		−198,482	−233,700	−1,100
ADP Programs		27,000	0	27,000
CALS		(+27,000)		(+27,000)
Civil Air Patrol	(6,422)	1,380		1,380
Major Commands Headquarters		−28,000		−22,800
Benefits transfer from OSD		16,750		0
Military Family Services		3,000		3,000
DBOF Transfer		−306,300	−114,200	−114,200
Civilian Pay Adjustment		−30,000		0
Wartime Host Nation Support		−4,000		−4,000
Base Closure Contingency		−59,000		−59,000
Excess Inventories		−140,000		
Jr ROTC		2,500	2,500	2,500
Foreign National Civilians		−30,000		−7,500
Transient Lodging/billeting		−19,000		−9,500
Depot Maintenance Backlog		136,000		25,000
Real Property Maintenance Backlog		105,000		
Spares and Repair Parts		100,000		
Meals Ready to Eat		2,500		2,000
Amended Budget	−9,000		−9,000	
Base Operations			−18,500	−18,500
Spare Parts Pricing			−73,000	−73,000
Interim Contractor Support			−13,800	−13,800
Second Destination transportation			−25,000	−25,000
Flight training			−2,300	
Department/command headquarters			−22,800	
Civilian Personnel under-execution			−112,200	−112,200
Foreign Currency repricing			−179,200	−179,200
Revolving fund excess cash			−100,000	−150,000
CIM/other ADP			−101,786	−99,286
Purchases inflation reestimate			−45,500	−45,500
Arms control			−2,400	−2,400
Finance activities			−20,000	
Theater Air Command & Control				7,000
Commanders Tactical Info System				1,500
Total, Air Force	20,342,900	17,660,213	19,242,014	17,180,259

Amendment No. 27: Deletes House language which earmarks funds for Depot Maintenance, Real Property Maintenance and Spares and Repair Parts, and prohibits the Department from obligating these funds before September 1, 1992.

JP–4 TO JP–8 FUEL

The conferees agree with the Senate's position that the Air Force should move expeditiously, where appropriate, to convert its CONUS and WESTPAC aircraft from JP–4 to JP–8 fuel. The conferees believe that this conversion would enhance Air Force readiness, streamline resupply logistics, improve safety and reduce the cost resulting from JP–4 related accidents. JP–8 is a kerosene-based jet fuel with a higher flash point than the naphtha-based JP–4 which is more volatile and so not as safe to use.

The conferees are sensitive to the effect that an Air Force decision to convert from JP–4 to JP–8 fuel could have on small, independent refiners of JP–4. The conferees urge the Air Force to provide these producers with adequate notice of the conversion and to work with them to achieve a smooth transition to the new fuel. The conferees direct the Air Force to provide a plan and a timetable for the conversion of JP–4 to JP–8 to the Committees on Appropriations no later than June 1, 1992.

OLMSTEAD AIR FORCE BASE

The conferees understand that the ongoing environmental restoration program for formerly used defense sites contains a project for Olmstead Air Force Base in Middleton, PA. This project includes the remedial design and remedial action (RD/RA) for containerized hazardous and toxic waste. This involves removal and disposal of five underground storage tanks (USTs) and their liquid contents. The conferees also understand this may include the removal of foundations and contaminated soil in the vicinity of these USTs. Since there is concern about potential ground water contamination, the conferees direct the Department to include a ground water study in its current cleanup effort and report study findings related to ground water contamination.

The conferees expect the Department to fully fund this project and to proceed with the study and actual remediation on an expedited basis.

TACCSF, KIRTLAND AFB

The conferees agree to provide $7,000,000 to maintain and upgrade the Theater Air Command and Control and Simulation Facility (TACCSF) at Kirtland AFB. The Air Force should maintain the existing TACCSF infrastructure, and commence upgrades to meet the growing demand for simulation systems for theater missile defense studies and analysis. The conferees believe that TACCSF can make important contributions to Air Force planning and understanding of theater missile defense requirements.

COMMANDER TACTICAL INFORMATION SYSTEM

The conferees agree to provide $1,500,000 to expedite completion of communication, data processing and tactical information system links between the 11th Air Force and the Alaskan Command and the U.S. Pacific Command and Pacific Air Forces. The recent integration of U.S. military forces in Alaska and the Pacific Command necessitates the complete linkage of information systems between the two headquarters. The conferees expect these funds to be expended to complete the purchase, installation and integration of systems at the Alaskan Command/11th Air Force headquarters facility at Elmendorf AFB.

WARNER-ROBINS HYDRAULIC PRESS

It has been brought to the attention of the conferees that the Warner-Robins Air Logistics Center is in need of a special hydraulic press to form sheet metal parts for C–141, C–130 and F–15 structural components. The conferees recognize that these aircraft are essential to war readiness and believe that the timely and cost-effective fabrication of parts contributes to this end. The Air Force Logistics Command is urged to make every effort to address this need through its regular capital budgeting process.

OPERATION AND MAINTENANCE, DEFENSE AGENCIES

Amendment No. 28: Restores the center heading "(Including transfer of funds)".

Amendment No. 29: Appropriates $16,408,161,000 instead of $18,599,037,000 as proposed by the House and $8,635,768,000 as proposed by the Senate and restores House language earmarking $25,000,000 for the CINC Initiative Fund account.

The conference agreement on items addressed by either the House or Senate is as follows:

[In thousands of dollars]

	House	Senate	Conference
Operation and Maintenance, Defense Agencies:			
Washington Headquarters Services	−10,000	−10,552	−10,552
Office of Economic Adjustment	0	4,000	4,850
Defense Mapping Agency	0	−2,538	0
Defense Legal Services	0	−632	−632
On-Site Inspection Agency	0	−35,300	−28,300
a. Arms Control			(−28,300)
The Joint Chiefs	0	−15,825	−15,825
Consolidated Health Care Budget	8,095,584	0	8,050,384
a. Physician Assistant Demonstration	(2,500)	0	(2,500)
b. Letterman Hospital/San Francisco Medical Command	(44,400)	0	(6,000)
c. Tidewater Tri-CAM Project	(10,000)	0	(3,200)
d. Head and Neck Injury Initiative	(3,233)	0	(3,233)

[In thousands of dollars]

	House	Senate	Conference
e. Lead Poisoning Prevention Initiative	(1,000)	0	(1,000)
f. CHAMPUS Disabled Patients Benefit	(20,000)	0	(20,000)
g. Nursing Bonus Expansion	(10,000)	0	(10,000)
Defense Commissary Agency	980,100	0	0
Defense Contract Audit Agency	2,500	0	2,500
Defense Finance and Accounting Service	557,400	0	0
Defense Investigative Service	10,000	0	7,000
Defense Logistics Agency	2,000	6,800	14,100
a. DLA procurement technical assistance	(9,000)	0	(9,000)
b. Travel (TDY)	(−1,700)	0	(−1,700)
c. Spares and Repair Parts	(102,000)	0	0
d. DBOF Transfer	(−107,000)	0	0
e. Stockpile Fund	0	0	0
f. Arms Control	0	(6,800)	(6,800)
Defense Medical Support Activity	−10,000	0	0
Federal Health Care Study	3,000	0	1,500
Military Family Resource Center	−5,000	0	0
Office of Secretary of Defense	−74,800	0	0
Uniformed Services University of the Health Sciences	−5,000	0	0
Joint Recruiting Advertising Program	10,456	−3,000	−4,000
U.S. Special Operations Command	42,000	42,300	34,300
a. Operations & Training	(43,000)	(42,300)	(43,000)
b. AFSOC Headquarters	(−1,000)	0	(−1,000)
c. General Reductions	0	0	(−7,700)
OCHAMPUS	0	20,000	0
Classified Programs	259,209	202,500	−50,829
Civilian Personnel	0	−53,500	−48,200
DBOF Adjustment	−300	−100	−100
Foreign Currency Repricing	0	−51,400	−51,400
Corporate Information Management	0	−223,085	−223,085
Revised Inflation Estimate	0	−19,700	−19,700
Revolving Fund Balances	0	−50,000	−100,000
Legacy Resource Management Program	0	15,000	15,000
Excess Inventories	−25,000	0	0
Foreign National Employees	−12,000	0	−2,500
Radiation Exposure Compensation Claims	5,000	15,000	30,000
Gainsharing	0	1,000	1,000
Hawaii Land Inventory	0	0	750
Defense Conversion Commission	0	0	5,000
Post-Traumatic Stress Disorder Treatment Centers	0	0	600
National Commission on Defense and National Security	0	0	1,500
All Other Items	8,794,800	8,794,800	8,794,800
Total	18,559,037	8,635,768	16,408,161

Amendment No. 30: Deletes "; $8,635,768,000" as proposed by the Senate.

Amendment No. 31: Restores and amends House language that earmarks operation and maintenance funds for Special Operations Command; deletes House language which provided funds for depot maintenance, real property maintenance, and spares and repair parts; restores and amends House language earmarking $6,000,000 for the San Francisco Medical Command to augment reduced services caused by the downsizing of Letterman Hospital from a 185- to 100-bed facility; retains Senate language earmarking $1,000,000 for the development and establishment of gainsharing projects; retains Senate language earmarking $750,000 to conduct and prepare an inventory of real property in Hawaii; retains Senate language earmarking $5,000,000 for the establishment and administration of the Defense Conversion Commission; retains Senate language earmarking $25,000,000 for the continued implementation of the Legacy Resource Management Program, of this amount not less than $10,000,000 to implement cooperative agreements to identify, document, and maintain biological diversity on military installations; amends the fiscal year 1991 Defense Appropriations Act on Legacy Resource Management Program; adds a new provision that provides that $300,000 shall be available to the Maryland Hospital Association for a demonstration project to assist military personnel in becoming health care employees; and adds new language that $600,000 shall be for two Post-Traumatic Stress Disorder Treatment Centers, one to be located in the State of Hawaii, and one to be located in Greensburg, Pennsylvania, for the purpose of treating military personnel, dependents, and other personnel in post-traumatic stress disorders.

SPECIAL OPERATIONS FORCES

The conferees agree to provide $752,835,000 which represents the following adjustments to the budget request: +$43,000,000 for Operations and Training; −$1,000,000 for HQ AFSOC; and −$7,700,000 for general reductions.

The conferees have determined that $7,700,000 is SOCOM's share of the total general reductions levied on O&M, Defense Agencies. SOCOM's O&M appropriation shows the reduction of $7,700,000. The Department is instructed to exclude SOCUM from further reductions as a result of general reductions levied on O&M, Defense Agencies.

SOF Reserve Components. While the conferees agree to delete bill language proposed by the House which transferred $76,912,000 to the Operation and Maintenance appropriations of the Reserve Components for execution, they do so with the explicit understanding that the Chiefs and Directors of the Reserve Components will continue to be involved in budget preparation and execution. Therefore, the conferees direct that not less than $76,000,000 be transferred through the Special Operations Command to the Reserve Components Headquarters for execution.

Theater Special Operations Commands (SOCs). The conferees understand that the theater SOC component of each of the five unified combatant commands are not adequately staffed to carry out their missions during peacetime and contingencies. Accordingly, the conferees direct that, beginning in fiscal year 1992, the Department shall transfer all funding associated with theater SOCs to MFP 11. Further, the conferees direct the Department to increase the manning of each theater SOC to not less than 50 percent of its minimum essential peacetime manning by the end of fiscal year 1992. These increases will not count against the management headquarters ceilings of the affected combatant commander. In addition, the conferees direct the Assistant Secretary of Defense for Special Operations and Low-Intensity Conflict to submit a report to the Committees on Appropriations and Armed Services of the House and Senate by May 1, 1992, identifying the unfulfilled resource requirements, including personnel, of the theater SOCs and the programmatic actions that the Department of Defense plans to take to meet such requirements.

Theater Army Special Operations Support Commands (TASOSCs). The conferees agree that TASOSCs may be an unnecessary administrative layer in the special operations forces command structure. Since TASOSCs are MFP-11 funded, the conferees direct the Commander-in-Chief, Special Operations Command, to submit to the Committees on Appropriations of the House and Senate a schedule for the elimination of TASOSCs by September 30, 1992. The conferees agree that TASOSCs resources should be applied to the theater Special Operations Command.

Navy Special Operations Forces (SOF) in SOUTHCOM. The conferees direct the Commander-in-Chief, Southern Command (CINCSOUTH), to develop a long-term training schedule for its Navy SOF units to participate in joint training exercises and operations with the rest of the SOF units in SOUTHCOM. The conferees further direct CINCSOUTH to submit a report to the Committees on Appropriations of the House and Senate by March 1, 1992, on the SOF mission readiness of its Navy SOF units for both peacetime and contingencies. The report shall also address the effectiveness of its Navy SOF units to carry out joint special operations missions.

Counterterrorist Working Group. The conferees agree with the Senate language concerning the Counterterrorist Working Group.

LETTERMAN HOSPITAL

The conferees have agreed that Letterman Hospital should be maintained at 100-beds during fiscal year 1992 and have provided $37,000,000 for this purpose. The conferees further agree that some services, which should be provided for eligible beneficiaries, could be provided more economically through joint coordination with the Navy or

Air Force. Therefore, the conferees have provided an additional $6,000,000 to the San Francisco Medical Command to fund angioplasty and increased pharmacy costs, and to establish a 100-mile catchment area for cardiac surgery to compensate for lost services at Letterman.

POST-TRAUMATIC STRESS DISORDER TREATMENT CENTER

The conferees have inserted language to provide $600,000 to establish two Post-Traumatic Stress Disorder Treatment Center Demonstration Projects, one in the State of Hawaii, and one in Greensburg, Pennsylvania. A Department of Veterans Affairs survey found that 23 percent of returning Operation Desert Shield/Storm service personnel showed "significant psychological distress" brought on by abrupt changes in their lives. Therefore, the conferees direct the Department to establish two one-year demonstration counseling centers to study the effects of war on active duty, guard, and reserve personnel and their families. One center shall be located in Greensburg, Pennsylvania, which suffered more casualties than any other community in the United States. The other center shall be located in the State of Hawaii. These centers should be staffed to provide counseling services for active duty, reserve personnel, and their families and to present a report to the Committees on Appropriations of the House and Senate not later than September 30, 1992 on the necessity for these centers.

Amendment No. 32: Deletes House provision which made a portion of the appropriation subject to authorization and retains Senate language providing not less than $2,000,000 for a feasibility study on the use of a rotary reactor thermal destruction technology in the treatment and disposal of waste regulated under the Resource Conservation and Recovery Act of 1976.

DEFENSE CONTRACT AUDIT AGENCY

The conferees agree with the House position that an additional fifty auditors need to be assigned to perform audits of university contracts. Therefore, the conferees have included an additional $2,500,000 to accomplish this function.

OFFICE OF ECONOMIC ADJUSTMENT

The conferees agree with the Senate position that the Office of Economic Adjustment should be expanded to include a West Coast regional office. It is important for the Department to fully support the communities affected by the changes in the defense base. The conferees further agree to fund $1,000,000 for impact assistance to Nye County, Nevada, and $500,000 for the Charleston Harbor Management Plan.

In addition, the conferees recommend an increase in funding of $850,000 to the Office of Economic Adjustment in order to fund engineering and environmental studies in Astoria, Oregon. The Navy is currently planning to homeport to MHCs in Astoria. In order to accommodate these ships there is a great deal of site preparation work which must be done. The conferees agree that a portion of these expenses should be borne by the Department.

SMALL BUSINESS TRANSFER

The conferees direct that of the $200,000,000 appropriated in fiscal year 1991 in support of the Defense Economic Adjustment and Conversion program, up to $30,000,000 may be available for implementation of the emergency small businesses direct loan program as provided for in Section 1087 of the National Defense Authorization Act for Fiscal year 1992.

THE LEGACY RESOURCE MANAGEMENT PROGRAM

The conferees reaffirm their strong support for the Legacy Resource Management Program and agree to provide $25,000,000 in FY 1992 as proposed by the Senate. The Legacy Program was established in FY 1991 to conserve, manage, inventory and protect the significant biological, geophysical, historical and cultural resources on 25 million acres of Department of Defense land. The conferees acknowledge the commitment of the Department of the Defense to the Legacy Program and note that in its first year of operation, the program has undertaken 90 demonstration projects in 39 states and territories. The conferees recognize the central role played by Legacy partners in this effort and encourage its expansion.

Further, the conferees believe the Department can only remain a Federal leader in environmental protection if it encourages, trains, promotes and rewards its civilian and military employees for their individual and collective stewardship efforts. They must be accorded no less recognition than other professionals serving in traditional combat-related fields. The conferees view their work as integral to the military mission. The conferees urge the Department to clarify its policies and enhance its career development programs to encourage greater participation among its employees in the full range of environmental specialties. The Secretary of Defense is directed to report to the Committees on Appropriations, no later than June 1, 1992, on the steps the Department plans to take to encourage the development of environmental personnel within its ranks and how the Legacy program can be used to further that end.

Further, the conferees support the Senate language pertaining to collateral war damage and urge the participation of Legacy personnel in this effort.

STOCK ENHANCEMENT ON FEDERAL LANDS

The conferees agree with the Senate language supporting the need for stock enhancement on Federal lands. The conferees believe that the Legacy Resource Management Program, in partnership with the Oceanic Institute, can play an important role in the conservation of endangered fish species and supports the development of a pilot program at the Kaneohe Marine Corps Air Station for this purpose. The Kaneohe Marine Corps Air Station was the site of a settled native Hawaiian community, heavily dependent upon the local fishery resources for their livelihood.

Therefore, the conferees direct that of the $10,000,000 recommended for the biological component of the Legacy Resource Management Program in fiscal year 1992, not less than $750,000 shall be provided to the Oceanic Institute to initiate a feasibility study to improve existing nursery ponds for mullet culture and to establish a mullet larvae hatchery on Kaneohe Bay, Oahu.

READY RESERVE FLEET USE IN JCS EXERCISES

The conferees agree with the Senate language regarding the use of the Ready Reserve Fleet in the JCS exercise program. The Ready Reserve Fleet is a valuable national asset and must be able to respond when called to do so. Therefore, the conferees direct the Department to increase the use of the Ready Reserve Fleet in JCS exercises.

DLA PROCUREMENT DATA SYSTEMS

To enhance full and open competition opportunities for small businesses, the conferees direct the Defense Logistics Agency (DLA), through the use of existing DOD or DLA procurement data systems, or other easily accessible media, to disclose to all prospective bidders and offerors, on DLA or DLA Center contracts, any determination by DLA or its Centers to use other than full and open competition in soliciting offers, awarding contracts, or any anticipated modification of a contract that either adds a new contract line item or increases the quantity of an existing line item. These disclosures shall be made at least ten working days prior to the award of any contract on the basis of other than full and open competition, or, in the case of contract modifications, at least seven working days prior to the effective date of any modifications. An exception is to be made for those modifications which are made under "unusual and compelling emergencies" as referenced in part 6.302-2 of the Federal Acquisition Regulations (FAR). Under these circumstances, disclosures are to be made no later than four working days after the effective date of the modifications.

STOCKPILE TRANSACTION FUND

Since the fiscal year 1992 budget request proposed funding the operating expenses of the National Defense Stockpile Transaction Fund from the Fund itself, the Defense Logistics Agency was not able to request funding. Congress, once again, decided not to enact the legislation required to allow paying operating expenses from the Fund. Therefore, the conferees recommend that sufficient funds to pay these expenses be provided to the Defense Logistics Agency from within appropriations available to the Defense Agency and Activities.

The conferees continue to believe that the operation of the Fund should not be a separate function, but be incorporated into the Defense Logistics Agency or another Defense Agency or Activity in order to save overhead and administrative expenses.

MEDICAL PROGRAMS

CONSOLIDATED MEDICAL BUDGET

The Department of Defense has decided to try to strengthen its ability to perform its medical mission with centralized authority and responsibility, but decentralized implementation, by consolidating the services' medical budgets, policy guidance, medical personnel, and facilities under the direct control and authority of the Assistant Secretary of Defense for Health Affairs. The conferees have agreed to consolidation of the medical budget and hope this centralized funding, policy and direction will ensure that a quality, standardized medical benefit can be provided to all beneficiaries throughout the Department.

The conferees agree that the Department should undertake a financial cost analysis of the proposed coordinated care program, before any new program is implemented. This review will ensure that the Department makes financially sound decisions today that will have an effect on the future military medical program. In light of the review being undertaken by the Department, the conferees agree that all innovative health care management programs determined to be beneficial to eligible recipients and to be financially sound, and pre-approved by the Assistant Secretary of Defense for Health Affairs, may be used to make military health care more beneficial and efficient.

CHAMPUS REFORM INITIATIVE (CRI)

The conferees have long been concerned about the quality and rapidly increasing cost of health care that is provided to military family members and retirees through the CHAMPUS program. Many initiatives have been undertaken to try to improve the overall quality of military health care, as well as control this rapid escalation in cost.

One initiative that his proven to be successful is the CHAMPUS Reform Initiative (CRI) which is currently providing military beneficiaries living in California and Hawaii with improved medical care both in terms of quality and cost than was previously provided under traditional forms of CHAMPUS.

Based upon the success of the CRI program, the conferees have included a general provision which directs that the current vendor contract for California and Hawaii CRI be extended for one year beyond its current expiration date. This will permit full development of the CRI model, which DOD can then fairly and accurately evaluate. The Department can then combine the best features of CRI with those of other managed care demonstration projects to form a viable health care provision system for the next century.

The conferees believe that the results achieved so far in the California and Hawaii CRI model can be replicated elsewhere to both improve quality care and save scarce resources. Therefore, the conferees have included a provision allowing the Department to expand the CRI program geographically, on a competitive basis. In addition, the conferees direct that expansion sites must include Florida, Washington, Oregon, and the Tidewater region of Virginia. Medical facilities operated by the Department of Veterans Affairs may be included in the Florida based CRI network with the concurrence of the Secretary of Veterans Affairs. The Department shall endeavor to design these programs so that benefits are similar to those being received by beneficiaries in California and Hawaii so that all beneficiaries will have like benefits no matter where they are stationed.

ENROLLMENT

The conferees have differing viewpoints on whether enrollment into health care programs should be voluntary or mandatory. Therefore, the conferees direct the Assistant Secretary of Defense for Health Affairs to review both positions and to present any findings during testimony on the fiscal year 1993 medical budget.

PATIENT LEVEL ACCOUNTING

The conferees agree that the Department should buy existing off the shelf technology, consistent with Composite Health Care System technology, to implement an interim solution to begin collecting more monies in the short-term and allow time to develop a true unit costing methodology for the future.

PSYCHOLOGISTS PRESCRIBING DRUGS

The conferees support the bill language contained herein providing for a two-year prototype drug prescribing training program of military psychologists at Walter Reed Army Medical Center.

LEAD POISONING

The conferees support the House position.

HEAD AND NECK INJURY INITIATIVE

The conferees support an increase in funding of $3,233,000 for the Department to start an initiative for DOD victims of head and neck injuries. This funding will be provided to the Assistant Secretary of Defense for Health Affairs who should work with the National Head Injury Foundation, Inc. (NHIF), and the Uniformed Services University of the Health Sciences (USUHS) to initiate this important project. Periodic status reports should be provided to the Committees on Appropriations with input from both NHIF and USUHS on the progress of this initiative.

EYE CARE STUDY

The conferees believe that not enough time has elapsed to thoroughly evaluate the initiative to provide separate optometry services at military hospitals. Therefore, the conferees believe that the study requested by the House should be postponed one year. The conferees would, however, like to have the Assistant Secretary of Defense for Health Affairs be prepared during testimony on the fiscal year 1993 medical budget to discuss the future of military eye care and to explore models of quality eye care delivery.

FEDERAL HEALTH CARE STUDY

The conferees agree with the House position that a study needs to be undertaken to explore the possibility for further managed care and sharing initiatives between the federal agencies. Therefore, the conferees have increased the Department's medical budget by $1,500,000 for this initiative.

HEALTH PROFESSIONS NURSING BONUS EXPANSION

The conferees agree to an increase of $10,000,000 for an expansion of the nursing bonus program.

BASE CLOSURES AND REALIGNMENTS

The conferees agree that health care personnel should not be reduced at certain locations just because a base may be undergoing a partial closure or realignment. The Department needs to carefully study the true cost of providing health care at these locations before any personnel changes are made. Therefore, the conferees have agreed to amend a general provision proposed by the House that prevented the Department from reducing military and civilian medical facility personnel below the level in place in fiscal year 1990 to prevent the Department from reducing health care personnel at certain locations only. However, the conferees believe that the Department needs to address the concerns highlighted by the House to ensure that medical care is provided as economically as possible at all locations.

TIDEWATER PROJECT

The conferees agree with the House that additional funding is needed to improve health care in the Tidewater region of Virginia. Therefore, the conferees have agreed to an increase in funding of $3,200,000 for Tidewater and approve a general provision to implement CHAMPUS Reform Initiative (CRI) managed care in this area.

UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES (USUHS)

The conferees support the Senate position and direct the Assistant Secretary of Defense for Health Affairs to review other medical schools or functions which the services now operate which can be incorporated at USUHS to make the school more economical and beneficial to operate. Their conferees appreciate the strong support and swift action which was taken by the Department to correct many of the problems identified by the Inspector General and the House.

SOCIAL WORK

The conferees request that the Department establish separate departments of social work at all major medical centers where feasible.

DEFENSE MEDICAL FACILITIES OFFICE (DMFO)

The conferees agree with the Senate report which directs the Deputy Secretary of Defense to review the role and mission of DMFO and evaluate whether or not the military services could more efficiently develop and execute medical facility programs, with the coordination and approval of the Assistant Secretary of Defense for Health Affairs. The results of this review should be submitted to the Committees on Appropriations not later than March 15, 1992.

NON-PHYSICIAN HEALTH CARE PROVIDERS

The conferees direct that the Civilian Health and Medical Program of the Uniformed Services shall continue to pay non-physician health care providers (such as psychologists) the same payment as it pays physician providers for comparable services.

PHYSICIAN ASSISTANT DEMONSTRATION INITIATIVE

The conferees have expressed their concern in the past about the recurring shortages of military nursing personnel. In the conference report on the fiscal year 1991 Defense Appropriations Act, in discussing a required feasibility study for a federal nursing school, the conferees stated: "The conferees want to emphasize their interest in the Department considering cost effective alternatives to a Federal nursing school being established within the Uniformed Services University of the Health Sciences, including contracting with established non-DOD nursing schools. The conferees require that a report must be submitted to the Appropriations Committees before any final action is taken on establishing a federal nursing school." The conferees again agree that the Department must submit the requested report before undertaking any initiative to establish a federal nursing school, whether in-house or at a privately operated school as proposed by the House. The Assistant Secretary of Defense for Health Affairs will be asked to testify during the fiscal year 1993 budget cycle on any course of action the Department would propose.

The conferees also are concerned about current shortages of physician assistants in the Navy and the Air Force. In an effort to alleviate the unfilled need for these valuable health care professionals, the conferees have included $2,500,000 in the consolidated medical budget to be used to train additional physician assistants. Of the funds included, the conferees have agreed that the Department shall establish a military physician assistant training program at Saint Francis College, Loretto, Pennsylvania. The Assistant Secretary of Defense for Health Affairs should work with the appropriate officials at Saint Francis to establish this program in line with presently ongoing Defense programs.

AUTOMATED DATA PROCESSING RESOURCES

The conferees agree to the following funding adjustments:

Program	O&M	Procurement	R&D	Total
ARMY				
Personnel Electronics Records Management System (DBOF Correction)	−7,355	+7,355		0
Desktop III	−9,870	−2,040		−11,910
CIM Consolidation	−7,270	−6,100		−13,370
ADP Consolidation	−28,600	−29,000		−57,600
CALS Consolidation	−6,830	−7,000		−13,830

Program	O&M	Procurement	R&D	Total
Total reduction	−59,925	−36,785	0	−96,710
NAVY				
Electronic Data Interchange Program	0	−1,250		−1,250
Cray Y-MP16 Computer Support	+500	+4,000		+4,500
Desktop III	−5,485	0		−5,485
Military Sealift Command Mobility and Execution System (MOPEX)	−1,758	0		−1,758
CIM Consolidation	−34,361	−4,650		−39,011
ADP Consolidation	0	−54,700		−34,700
CALS Consolidation	−24,800	−40,300	−4,400	69,500
Total reduction	−65,904	−96,900	−4,400	−167,204
AIR FORCE				
Air Force Material Command—CALS	27,000	0		27,000
Electronic Data Interchange Program	0	−1,250		−1,250
PC III	0	0		0
CIM Consolidation	−59,986	−4,491		−64,477
ADP Consolidation	−26,800	−70,400		−97,200
CALS Consolidation	−12,500	−2,300	−10,300	−25,100
Total reduction	−72,286	−78,441	−10,300	−161,027
DOD AGENCIES				
CIM Consolidation	−175,985	−49,500		−225,485
ADP Consolidation	0	−14,000		−14,000
CALS Consolidation	−47,100	−23,900	−15,075	−86,075
Total reduction	−223,085	−87,400	−15,075	−325,560

CORPORATE INFORMATION MANAGEMENT (CIM)

The conferees agree to consolidate funding for Corporate Information Management (CIM) related development and modernization programs in fiscal year 1992. However, in so doing, the conferees have amended the related general provision to allow the Department the necessary flexibility to administer these funds with as little resource disruption as possible.

The conferees are encouraged by the progress made within the Department to control CIM funding and projects and conclude that, given the pending oversight changes by the Department and sufficient progress in the maturation of CIM designated programs, consolidation of CIM resources may not be required in fiscal year 1993.

The following table reflects the conference position on CIM (note that Operation and Maintenance adjustments include resources associated with revolving fund efforts within CIM):

	Operation and maintenance	Other procurement	Total
Army:			
Standard Depot System	−$997,000	0	−$997,000
TAMMIS	−4,742,000	−$6,100,000	−10,842,000
Corps of Eng. Fin. Mgmt. Sys	−1,531,000	0	−1,531,000
Total Army	−7,270,000	−6,100,000	−13,370,000
Navy:			
Civilian Time and Attendance	−19,000	−300,000	−319,000
NCPDS	−38,000	0	−38,000
Automated Storage Kitering Sys	−560,000	0	−560,000
LOGMARS	−5,004,000	0	−5,004,000
Stock Point ADP Replacement	−20,286,000	0	−20,286,000
Financial Operations NCSC	0	−250,000	−250,000
MIS David Taylor Research Center	−324,000	0	−324,000
NAVAIR Industrial Fund Mgmt. Sys	0	−425,000	−425,000
NWSES Standard Industrial Fund	−163,000	0	−163,000
Naval Ordnance MIS	−4,000	0	−4,000
Printing Resources MIS	−257,000	0	−257,000
Reserve Fin. Mgmt./Active Duty	−641,000	0	−641,000
ICP-Resolicitation	−3,909,000	0	−3,909,000
SCLSIS	−310,000	0	−310,000
Computer Assisted Medical IVS	−2,068,000	0	−2,068,000
Expense Assignment Sys.-V. III	0	−1,125,000	−1,125,000
Medical Office Automation	0	−2,550,000	−2,550,000
UADPS Level II	−350,000	0	−350,000
UADPS Stock Points	−428,000	0	−428,000
Total Navy	−34,361,000	−4,650,000	−39,011,000
Air Force:			
Base Level Personnel System	−292,000	0	−292,000
Personnel Concepts III	0	−1,399,000	−1,399,000
Std., Cataloging, & Prov. Sys	−3,357,000	0	−3,357,000
Equipment Mgmt. System (AFEMS)	−9,205,000	0	−9,205,000
Initial Provisioning MIS	−1,000,000	0	−1,000,000
Mod. of Def. Log. Standard Sys	−1,774,000	0	−1,774,000
REMIS	−11,796,000	0	−11,796,000
Requirements Data Bank	−23,836,000	−2,290,000	−26,126,000
Weapon System MIS	0	−802,000	−802,000
Contractor Data Management Sys	−8,726,000	0	−8,726,000
Total Air Force	−59,986,000	−4,491,000	−64,477,000
Defense Agencies:			
DCA DECCO AIS	−1,000,000	−1,500,000	−2,500,000
DFAS Military Pay Redesign-JSS	−8,917,000	0	−8,917,000
DFAS Program, Budget & Acct. Sys	−1,378,000	0	−1,378,000
DFAS Std. Army FI&RS-Mod	−3,644,000	0	−3,644,000
DFAS Std. Army Civ. Pay Sys.-Re	−5,294,000	0	−5,294,000
DFAS Std. Finance System-Re	−21,359,000	0	−21,359,000
DLA Std. Automated Trans. Sys	−980,000	0	−980,000
DLA DRMS AIS	−8,740,000	0	−8,740,000
DLA Def. Automated Address Sys	−12,453,000	0	−12,453,000
DLA DLIS-Modernization Program	−13,563,000	0	−13,563,000
DLA Defense Distribution System	−4,672,000	0	−4,672,000
DLA DIPEC	−118,000	0	−118,000
DLA APCAPS	−2,470,000	0	−2,470,000
DLA BOSS	−425,000	0	−425,000
DLA DFAMS	−2,314,000	0	−2,314,000
DLA DISMS	−6,428,000	0	−6,428,000

	Operation and maintenance	Other procurement	Total
DLA MOCAS	−12,001,000	0	−12,001,000
DLA SAMMS	−27,018,000	0	−27,018,000
DMSSC AQCESS	−8,851,000	−14,600,000	−23,451,000
DMSSC CHCS	−6,410,000	−28,700,000	−35,110,000
DMSSC DSS	−9,100,000	−4,700,000	−13,800,000
DMSSC DBMIS–BL	−4,522,000	0	−4,522,000
DMSSC DBMIS–DB	−122,000	0	−122,000
DMSSC DDS	−1,925,000	0	−1,925,000
DMSSC DMIS	−3,511,000	0	−3,511,000
DMSSC DMLS	−1,937,000	0	−1,937,000
DMSSC DTS	−2,903,000	0	−2,903,000
DMSSC EAS Version III	−3,930,000	0	−3,930,000
Total Defense Agencies	−175,985,000	−49,500,000	−225,485,000
Grand total	−277,602,000	−64,741,000	−342,343,000

In addition to the above systems, the conferees agree that those CIM related programs listed in the Senate report that do not have budgeted development or modernization funds must receive funding from within the CIM central account if a subsequent development or modernization requirement is funded in fiscal year 1992 for those programs.

AUTOMATED DATA PROCESSING (ADP) OPERATIONS CONSOLIDATIONS

The conferees agree to the consolidation of ADP operations funding, and in so doing, transfer an additional $26,800,000 of Operation and Maintenance, Air Force funds not previously identified in the Senate report. The conferees agree to reduce the consolidated ADP operations funds by $50,000,000.

COMPUTER-AIDED ACQUISITION AND LOGISTICS SUPPORT PROGRAM (CALS)

The conferees agree with the consolidation of CALS funding, except for $27,000,000 for the Air Force AFMC CALS, under the Department of Defense senior information resource management official. Accordingly, the conferees recommend the following adjustments necessary to centralize CALS:

	O&M	Proc	R&D	Total
Army:				
FCIM	0	−7,000,000	0	−7,000,000
TD/CMS	−830,000	0	0	−830,000
DSREDS	−6,000,000	0	0	−6,000,000
Army total	−6,830,000	−7,000,000	0	−13,830,000
Navy:				
CAD II	−2,600,000	−14,600,000	0	−17,200,000
DRWG PROC	0	−25,000,000	0	−25,000,000
NPOOS	−1,700,000	0	0	−1,700,000
EDMICS	−5,900,000	0	0	−5,900,000
SPLICE	−3,600,000	0	0	−3,600,000
APADE	−500,000	−700,000	0	−1,200,000
IDSS	0	0	−4,400,000	−4,400,000
RAMP	−10,500,000	0	0	−10,500,000
Navy total	−24,800,000	−40,300,000	−4,400,000	−69,500,000
Air Force:				
ABDR	0	0	−500,000	−500,000
LSMIS	−100,000	−900,000	0	−1,000,000
CADBIT	0	0	−400,000	−400,000
IDS	0	0	−600,000	−600,000
CREWCHIEF	0	0	−900,000	−900,000
DMAMTI	−2,500,000	0	0	−2,500,000
ATOS	−4,500,000	0	0	−4,500,000
IMIS	0	0	−7,400,000	−7,400,000
RAMCAD	0	0	−500,000	−500,000
RAMTIP	0	0	0	0
EDCARS	−5,400,000	−1,400,000	0	−6,800,000
Air Force total	−12,500,000	−2,300,000	−10,300,000	−25,100,000
OSD:				
CALS	0	0	−10,475,000	−10,475,000
ACALS	−26,500,000	−18,500,000	0	−45,000,000
SPARES	0	0	−2,600,000	−2,600,000
EIP	0	0	−2,000,000	−2,000,000
JUSTIS	−20,600,000	−5,400,000	0	−26,000,000
OSD Total	−47,100,000	−23,900,000	−15,075,000	−86,075,000
Grand total	−91,230,000	−73,500,000	−29,775,000	−194,505,000

OUTSOURCING

The conferees support the Senate position and further direct that the report to be provided by the Department include a section which addresses the potential impact, if any, of accomplishing this program in consideration of Office of Management and Budget (OMB) budget procedures memorandum number 768 of November 15, 1990.

COMPOSITE HEALTH CARE SYSTEM (CHCS)

The CHCS will significantly contribute to the Department's management of health care. However, the development and testing of key features of CHCS have not progressed without problems. The conferees are concerned that development of CHCS has not proceeded as well as hoped and still have serious reservations concerning the successful implementation of the CHCS archiving and retrieval component and the use of inpatient order entry by physicians. The issues concerning CHCS are unique and compelling. Current medical information systems in use by the Department are either obsolete, slow, or becoming too costly to maintain. It is clear that the replacement system, CHCS, should be fielded as soon as possible. However, the archiving and inpatient order entry issues are so integral to the fielding of CHCS, that to field such systems without the proven capability of these components would expose the Department to levels of program cost and risk that are not warranted within the current fiscal environment.

The conferees support full funding for CHCS as requested in the President's budget. However, in so doing, the conferees agree that the following shall apply during fiscal year 1992:

The conferees support the Department's proposal to split oversight of CHCS into milestone IIIA and IIIB decision points in order to field approved portions of CHCS more quickly to military hospitals, clinics, and outpatient facilities due to the critical need for automated support in Department of Defense medical facilities. However, in its milestone IIIA review, the Major Automated Information Systems Review Council must ensure that the CHCS archiving and retrieval capability of patient data is adequately tested prior to full deployment of CHCS. In addition, the conferees reiterate that until the full CHCS system has been approved for deployment (including milestone IIIB), each specific site planned to receive CHCS must be supported by the requisite economic analysis demonstrating the cost effectiveness of deployment. These analyses must be approved by the Office of the Assistant Secretary of Defense (Health Affairs) and

validated by the General Accounting Office prior to system deployment. Furthermore, the conferees direct that if the archiving and retrieval system fails operation, test, and evaluation during fiscal year 1992, that the Department shall immediately stop fielding CHCS to any further sites until CHCS successfully passes testing in this area.

Of the amounts funded, $6,000,000 shall be used towards the development and modernization of the Inpatient Order Entry (IPOE) software module. In utilizing these funds, the Department is directed to study alternatives to the current IPOE module and consider the use of incorporation of currently available commercial, public sector, and government used IPOE systems through system interfaces in order to speed the development and fielding of IPOE and potentially reduce total system life cycle costs. The Department is directed to report back the results of this review to the Committees on Appropriations not later than May 31, 1992 and the report should consider the short term, as well as, long term impact of this proposal. The Department shall furnish a copy of this report concurrently to the General Accounting Office, Information Technology division.

INDEFINITE DELIVERY/INDEFINITE QUANTITY (IDIQ) CONTRACTS

The conferees are in strong agreement that the Department must take action to control and validate automated data processing (ADP) equipment and software purchases on IDIQ contracts. However, the baseline for requesting waivers from the Department of Defense senior information resources management official shall be the fiscal year 1992 current estimate of the fiscal year 1993 President's budget request reflected in ADP exhibit 43D.

CORE AUTOMATED MAINTENANCE SYSTEM (CAMS) AND RELIABILITY AND MAINTAINABILITY INFORMATION SYSTEM (REMIS)

The conferees reaffirm their commitment to maximizing the readiness and sustainability of deployed U.S. forces and strongly endorse Department of Defense initiatives dedicated to this objective. The conferees further recognize that the effectiveness of many congressionally-mandated requirements and military resource and management policies, including warranty implementation, stock funding of repairable items, improved forecasting of spares requirements, and Total Quality Management (TQM) ultimately depend upon the availability of timely, accurate, and comprehensive system and component-specific information. Nowhere is this more critical than in the acquisition, management, and operation of weapon system automated information systems because of the leverage provided by available and reliable data on the efficient use of resources and in reducing the Defense Department's operations and support (O&S) cost burden.

The Senate has expressed concern about the overall ability of the Air Force's Core Automated Maintenance System (CAMS) and Reliability and Maintainability Information System (REMIS) to effectively and consistently provide the kind of timely, accurate, and comprehensive information required for the optimum readiness and sustainability of complex weapons systems. Both internal Air Force and independent analyses and audits have previously documented deficiencies of CAMS and REMIS in meeting acceptable data reliability standards and satisfying information management requirements. The conferees note that CAMS and REMIS hardware have been completely fielded and that software development and fielding is essentially completed in the case of CAMS and proceeding apace in the case of REMIS. As such, and in light of the investment made in these programs to date, the conferees believe it would not be cost effective to terminate them at this time.

Nevertheless, the Air Force is cautioned that further congressional support for CAMS and REMIS is contingent upon a compelling determination of their capabilities to perform designated missions. Because of the concern expressed about these capabilities and the importance of timely, reliable, and complete information, the conferees believe that an independent review of these programs' data accuracy and cost-effectiveness is warranted. The conferees further note that there are some weapons systems currently supported by information systems other than CAMS or REMIS which have performed well for several years. Accordingly, the conferees direct that not more than 65 percent of the funds appropriated for CAMS and REMIS in Fiscal Year 1992 shall be obligated until (a) the General Accounting Office (GAO) has completed and submitted to the Appropriations Committees of the House and Senate not later than March 31, 1992, a comprehensive analysis of the capabilities of the CAMS and REMIS, (b) such analysis determines that CAMS and REMIS meet the system availability, data accuracy and completeness requirements, and information management standards currently approved by the Department of Defense Major Automated Information Systems Review Council (MAISRC) to optimize the readiness and availability of complex weapons systems, and (c) that CAMS and REMIS receive an Office of the Secretary of Defense level MAISRC review upon completion of the GAO review and that a copy of the results of the review are provided to the Committees on Appropriations of the House and Senate. The conferees also direct that existing information and data systems not be replaced with CAMS or REMIS until the Appropriations Committees of the House and Senate notify the Department that it may proceed in accordance with the findings and recommendations of the GAO and OSD MAISRC reviews.

JOINT COMPUTER-AIDED ACQUISITION AND LOGISTICS SUPPORT (JCALS)

The conferees support the Department in its effort to develop the capability to receive, manage and employ digital technical manuals at the earliest possible date at the most cost-effective price. However, the conferees direct that the Department complete a review of both JUSTIS and ACALS requirements (which is presently on-going), and provide by December 31, 1991, to the Committees on Appropriations a management plan which addresses the validation of technical manual requirements and the Department's acquisition strategy and plan for meeting those requirements which includes an assessment of cost, schedule and technical risks.

The JUSTIS Program Management Office at Dayton, Ohio, shall be maintained at its present level until thirty days after this plan has been submitted to the Committees on Appropriations.

HAWAII DEFENSE LANDS INVENTORY

The conferees agree to provide additional funding for an inventory of Hawaiian lands controlled by the U.S. Department of Defense. Guidelines for conducting the inventory have been outlined in Senate Report 102–154.

OPERATION AND MAINTENANCE, ARMY RESERVE

Amendment No. 33: Appropriates $968,200,000 instead of $995,600,000 as proposed by the House and $962,200,000 as proposed by the Senate.

The conference agreement on items addressed by either the House or Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
Force structure/end strength	.....	+65,500	+31,000	+37,000
DBOF transfer	.....	−6,600	−3,900	−3,900
Inflation estimate	.....	.....	−2,100	−2,100
All other items	937,200	937,200	937,200	937,200
Total	937,200	995,600	962,200	968,200

Amendment No. 34: Deletes House language making a portion of the appropriation subject to authorization.

OPERATION AND MAINTENANCE, NAVY RESERVE

Amendment No. 35: Appropriates $825,500,000 as proposed by the House instead of $840,600,000 as proposed by the Senate. The conference agreement on items addressed by either the House or Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
Force Structure/end strength	.....	+20,000	+30,000	+14,900
DBOF transfer	.....	−10,600	−3,700	−3,700
Inflation estimate	.....	.....	−1,800	−1,800
All other items	816,100	816,100	816,100	816,100
Total	816,100	825,500	840,600	825,500

Amendment No. 36: Deletes House language making a portion of the appropriation subject to authorization.

OPERATION AND MAINTENANCE, MARINE CORPS RESERVE

Amendment No. 37: Appropriates $81,700,000 as proposed by the Senate instead of $85,900,000 as proposed by the House.

The conference agreement on items addressed by either the House or Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
Force structure/end strength	.....	+10,000	+6,000	+6,000
Inflation estimate	.....	.....	−200	−200
All other items	75,900	75,900	75,900	75,900
Total	75,900	85,900	81,700	81,700

Amendment No. 38: Deletes House language making a portion of the appropriation subject to authorization.

OPERATION AND MAINTENANCE, AIR FORCE RESERVE

Amendment No. 39: Appropriates $1,078,700,000 instead of $1,091,200,000 as proposed by the House and $1,077,000,000 as proposed by the Senate.

The conference agreement on items addressed by either the House or Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
Force structure/end strength	.....	+15,000	+1,000	+2,700
WC–130 mission	.....	+5,300	+5,300	+5,300
DBOF transfer	.....	−4,500	−2,300	−2,300
Inflation estimates	.....	.....	−2,400	−2,400
All other items	1,075,400	1,075,400	1,075,400	1,075,400
Total	1,075,400	1,091,200	1,077,000	1,078,700

Amendment No. 40: Deletes House language making a portion of the appropriation subject to authorization.

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

Amendment No. 41: Appropriates $2,125,800,000 as proposed by the Senate instead of $2,165,600,000 as proposed by the House.

The conference agreement on items addressed by either the House or Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
Force structure/end strength		+100,000	+65,000	+65,000
DBOF transfer		−15,100	−15,300	−15,300
Inflation estimate			−4,600	−4,600
All other items	2,080,700	2,080,700	2,080,700	2,080,700
Total	2,080,700	2,165,600	2,125,800	2,125,800

Amendment No. 42: Deletes House language making a portion of the appropriation subject to authorization.

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

Amendment No. 43: Appropriates $2,281,300,000 instead of $2,275,700,000 as proposed by the House and $2,276,300,000 as proposed by the Senate.

The conference agreement on items addressed by either the House or Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
DBOF transfer		−12,100	−6,400	−6,400
Inflation estimate			−5,100	−5,100
Air Refuling Squadron Expansion				5,000
All other items	2,287,800	2,287,800	2,287,800	2,285,800
Total	2,287,800	2,275,700	2,276,300	2,281,300

Amendment No. 44: Deletes House language marking a portion of the appropriation subject to authorization.

ALASKA AIR NATIONAL GUARD KC–135E EXPANSION

The conferees agree to provide $5,000,000 to initiate the expansion of the 168th Air Refueling Squadron (ARD) from eight to ten KC–135E aircraft. The conferees understand that growing flight activity, including the transfer of the Cope Thunder training program from the Philippines, has increased tanker requirements to support the 11th Air Force. The 168th ARS already meets an important share of this demand. The expansion of ten aircraft will permit a more efficient management of the unit, consistent with other Air National Guard tanker organizations. The Director of the Air National Guard shall provide the House and Senate Committees on Appropriations a schedule for the expansion of the 168th ARS to ten aircraft not later than February 15, 1992.

NATIONAL BOARD FOR THE PROMOTION OF RIFLE PRACTICE, ARMY

Amendment No. 45: Inserts Senate language which requires the President to submit a report to Congress on the National Board for the Promotion of Rifle Practice, Army.

ENVIRONMENTAL RESTORATION, DEFENSE

Amendment No. 46: Appropriate $1,183,900,000 as proposed by the Senate instead of $2,152,900,000 as proposed by the House. While the conferees agree to the authorized level, they believe it to be well below what is required by the Department to alleviate the backlog of environmental cleanup at sites contaminated by past practices. The conferees strongly encourage the Department to submit a reprogramming request if additional funds are required in fiscal year 1992 and to submit a higher level in the fiscal year 1993 budget request.

The conferees agree with House language on Raritan Arsenal, Pictinny Arsenal, and Integrated Remediation and Restoration Approaches, and to Senate language on Thermal Destruction Pyrolysis Process, World War II Environmental Hazards, Red Water Contamination, Bioremediation Restoration Technology, and Nontoxic Maintenance Substitutes.

BASE CLOSURE ACCOUNTS

The conferees agree that $69,000,000 of this appropriation should be earmarked to support environmental remediation of bases included on the National Priority List and in Base Realignment and Closure, Part II. In addition, the conferees agree that fiscal year 1993 funds for environmental cleanup costs for bases proposed for closure should be included in the respective base closure accounts.

EXPEDITED ENVIRONMENTAL CLEANUP PROGRAM

The conferees are concerned about the slow pace of cleanup of environmental problems on military installations and fully endorse the Senate language establishing the pilot Expedited Environmental Cleanup Program. Furthermore, the conferees direct that (1) the Secretaries of the military departments select projects identified in the Installation Restoration Program within 30 days of the enactment of this Act for expedited cleanup and that these be projects for which preliminary assessments, site inspection and preliminary remedial studies have been completed; (2) to the maximum extent appropriate, the existing authority such as the interim remedial action of CERCLA, the conditioning remedy of RCRA and similar authorities be used; and (3) to the maximum extent appropriate, new contracting methods based on turnkey or partial turnkey operations, increased reliance on private investment capital and fixed price or fixed unit price contracting be implemented. The conferees direct the Department of Defense to propose any legislative changes required to expedite this cleanup program.

INDIAN LANDS

The conferees recognize that Defense operations on or near Indian lands have caused severe environmental problems for many Indian tribes. These environmental hazards negatively impact the health and safety as well as the social and economic welfare of Native Americans. Accordingly, the conferees agree to make $8,000,000 available for Department of Defense activities to help Indian tribes and organizations begin to mitigate environmental damage from defense operations by assisting tribes in their planning, development and implementation of programs for such mitigation. As the Administration for Native Americans (ANA) has the requisite expertise to assist Indian tribes and organizations in such environmental planning, the conferees direct the Secretary of Defense to cooperate with the ANA in making these funds available pursuant to a memorandum of understanding, memorandum of agreement, interagency agreement or other appropriate vehicle.

NORWALK DEFENSE FUEL SUPPLY POINT

Last year, the Department of Defense was directed to conduct a two-year, comprehensive program of off-site groundwater testing and monitoring at Norwalk Defense Fuel Supply Point, including an investigation of shallow ground contamination in proximity to the Norwalk Defense Fuel Supply Point. The conferees direct the Department to expeditiously complete the study requested last year and to provide an interim status report to the Committees on Appropriations by February 1, 1992.

Amendment No. 47: Deletes House language which would have provided that $900,000,000 should not become available for obligation before September 1, 1992.

Amendment No. 48: Deletes House language making a portion of the appropriation subject to authorization.

HUMANITARIAN ASSISTANCE

Amendment No. 49: Appropriates $15,000,000 as proposed by the House instead of $13,000,000 as proposed by the Senate.

The conferees support the House proposed $2,000,000 increase which is specifically for transportation of relief equipment and supplies to countries in sub-Saharan Africa. The conferees request that the Department provide more detailed notification announcements to the Committees on Appropriations specifying the quality and quantity of equipment and supplies being distributed.

Amendment No. 50: Deletes House language and inserts Senate language which reduces the notification period from 21 to 15 days.

Amendment No. 51: Deletes House language making a portion of the appropriation subject to authorization.

HUMANITARIAN ASSISTANCE

The conferees concur with the language in the Senate report recommending a reduction in the notification requirement for the transportation of humanitarian relief from 21 to 15 days and call upon the Department to fully support the program as administered by the Office of Global Affairs. However, the conferees are concerned that the funding resources and legal authorities available to support the humanitarian relief program are insufficient to meet its growing responsibilities.

Therefore, the conferees direct the Department of Defense, Office of Global Affairs, to undertake a review of the DOD humanitarian assistance program to assess the appropriate level of future funding, the requirement for additional professional and administrative staff and the need to expand or supplement the existing authorities of the program to support its mission. The Office of Global Affairs is to report to the Committees on Appropriations of the Senate and the House no later than August 1, 1992, with its recommendations.

WORLD UNIVERSITY GAMES

Amendment No. 52: Appropriates $3,000,000 for the World University Games as proposed by the House instead of $1,000,000 as proposed by the Senate.

SUMMER OLYMPICS

Amendment No. 53: Inserts Senate language which earmarks $2,000,000 for the 1996 Summer Olympics.

REAL PROPERTY MAINTENANCE, DEFENSE

Amendment No. 54: Amends Senate language to earmark $500,000,000 for real property maintenance backlog.

TITLE III—PROCUREMENT

GENERAL CONFERENCE ISSUES

SEALIFT AND PREPOSITIONING EQUIPMENT

The House included $995 million for equipment on the Marine Corps' Maritime Prepositioning Ships (MPS) program and for land based prepositioned equipment. The House also added $1,300,000,000 for additional sealift ships. The Senate added $2 billion for sealift and prepositioned equipment.

Operation Desert Shield/Storm made abundantly clear the central role of sealift in providing logistics support on a large scale. The conferees are proud of the initiatives taken by past Congresses in adding funds to procure additional sealift. Approximately 95 percent of the equipment transported to the Persian Gulf was sent by ship.

The conferees also commend the great logistical success of the Marine Corps' MPS program during the early days of Operation Desert Shield. The Marine Corps transported 15,000 troops to the Middle East and they "married up" with their equipment from the MPS in just a ten day time period. However, the conferees note that much of the equipment from the ships was quite dated.

While MPS may stay deployed for years and not be used in an actual conflict, when the MPS equipment is disembarked in a crisis situation, the odds that it will be used in an actual wartime situation are very high. Thus it is most important that the equipment stored on the MPS be modern, compatible, complete, and interoperable with equipment used for training and exercises.

Because of funding constraints, the conferees reluctantly agreed to provide just $600 million for sealift and no funds for prepositioned equipment. However, the conferees strongly recommend that the shortfall of sealift and the inadequacy of the equipment in the MPS program be addressed in the fiscal year 1993 budget submission. The conferees also recommend that the budget submission for the Marine Corps' MPS equipment provide sufficient resources to satisfy both internal and joint command, control and communications requirements.

PAN CARBON FIBER

The conferees agree with Senate language which reemphasizes the requirement in law for the Department of Defense to procure 50 percent of its polyacrylonitrile (PAN) carbon fiber from domestic sources by 1992, recommend that the Department increase the procurement of carbon fibers made from domestic PAN in all current weapon systems with the goal of exceeding 75 percent by fiscal year 1995, and direct that the Department submit an implementation plan to the Committees on Appropriations by June 1, 1992.

BUY AMERICAN WAIVERS

The conferees agree that a strong domestic industrial base is important to our national security and urge the Department of Defense to exercise extreme caution in granting waivers to procure items included in section 8005 from other than domestic sources.

AIRCRAFT PROCUREMENT, ARMY

Amendment No. 55: Appropriates $1,692,800,000 for Aircraft Procurement, Army, instead of $1,730,787,000 as proposed by the House and $1,640,200,000 as proposed by the Senate.

The conference agreement on items in conference is as follows:

[In thousands of dollars]

	Budget	House	Senate		Conference
Aircraft procurement, Army:					
C-23	.....	.....	6,000	.....	.....
Total package fielding	1,442	.....	1,442	.....	1,442
UH-60 Blackhawk (MYP)	334,178	334,178	250,778	47	250,778
Training helicopter	.....	.....	23,500	40	23,500
AH-64 MODS	82,771	.....	82,771	.....	82,771
C-23 MODS	.....	.....	16,000	.....	8,000
UH-1 MODS	9,166	14,166	9,166	.....	9,166
Armed OH-58D	183,244	183,244	138,644	.....	138,644
AHIP	.....	200,000	.....	24	133,000
Modifications less than $2.0M	13,900	.....	13,900	.....	.....
External fuel tanks	.....	.....	5,000	.....	5,000
Aircraft survivability equipment	48,035	48,035	48,035	.....	49,535
Total package fielding	.....	−39,800	.....	.....	.....

NEW TRAINING HELICOPTER

The conference agreement provides $23,500,000, as proposed by the Senate, for initial procurement of the New Training Helicopter. The conferees agree that direct procurement is a more cost-effective approach than the leasing approach which was proposed by the Army. Accordingly, the conferees also agree with the House general provision (Sec. 8108) which repeals current legislation which allowed a leasing program.

The conferees agree that prior to obligation of the funds for this program, the Army shall submit to the Committees on Appropriations and Armed Services of the House of Representatives and the Senate a plan for executing it. The plan shall include milestones, funding profile, contracting strategy, logistic support plan, and other program details for a competitive procurement. In formulating the plan, the Army should do all it reasonably can to ensure that all viable domestic manufacturers who wish to compete have an opportunity to do so and are not excluded by artificial time constraints. The Army should take sufficient time to consider industry comments to the draft request for proposal so that the final version reflects a reasonable and executable procurement plan. Such consideration should not necessarily affect the Army's desire to field 40 aircraft by October, 1993. The conferees strongly support this program because of the significantly lower training costs compared to the current program.

AH-64 APACHE MODIFICATIONS

The conference agreement includes $82,771,000 for AH-64 Apache modifications, as proposed in the budget and the Senate bill. The conferees agree that the purpose of this funding is to initiate "Apache B" modifications, including improvements which have been approved as a result of Desert Shield/Storm experience. An additional $21,000,000 has been provided for research and development for "Apache C" modifications, as discussed elsewhere in this statement. The conferees expect that when Apache C modifications are approved for production, the Apache modification program will transition to that configuration.

The conferees agree that prior to obligation of any procurement or research and development funds, the Army shall submit to the Committees on Appropriations and Armed Services of the House of Representatives and the Senate an Apache modification master plan, budget, and schedule.

AIRCRAFT SURVIVABILITY EQUIPMENT

The conferees understand that the Navy and the Marine Corps utilized the MJU-27 decoy effectively in the Persian Gulf war. The conferees further understand that Army helicopters do not have this system. The conferees believe that the Army should add this capability and the conference agreement includes $1,500,000 for this purpose.

MISSILE PROCUREMENT, ARMY

Amendment No. 56: Appropriates $1,006,462,000 for Missile Procurement, Army instead of $1,109,595,000 as proposed by the House and $1,009,456,000 as proposed by the Senate.

The conference agreement on items in conference is as follows:

[In thousands of dollars]

	Budget	House	Senate		Conference
Missile procurement, Army:					
Patriot system summary (MYP)	107,052	107,052	78,052	.....	78,052
Stinger system summary	37,526	112,526	26,226	.....	26,226
MLRS rocket	2,111	58,000	61,700	9	61,700
MLRS launcher	178,233	153,733	136,600	44	133,600
DBOF adjustment	.....	9,300	.....	.....	.....
Total package fielding	.....	−37,900	.....	.....	.....
Budget amendment correction	−6	.....	−6	.....	.....

STINGER

Adequate funding exists from prior years to sustain Stinger missile procurement until fiscal year 1993. The conferees, therefore, do not support additional funds for fiscal year 1992 procurement. However, the conferees are concerned that inventory levels are below planned procurement quantities and that the potential loss of an industrial base for this combat proven system would deny the U.S. a capability to meet possible performance enhancements for numerous weapon platforms that utilize Stinger. The Army is therefore urged to review its fiscal year 1993 program in an effort to sustain a single source industrial base to meet inventory needs and allow possible system modifications.

LASER HELLFIRE

The 1991 Operation Desert Shield/Storm Supplemental Appropriations Act provided $86,600,000 by transfer from the Defense Cooperation Account for the purchase of 3,150 Hellfire missiles. The conferees support the Army's plan to purchase 2,174 improved Hellfire missiles for $62,833,000 and approximately 335 Hellfire Optimized Missile Systems (HOMS) with the remaining $23,767,000.

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

Amendment No. 57: Appropriates $1,111,096,000 for Procurement of Weapons and Tracked Combat Vehicles, Army, instead of $1,084,813,000 as proposed by the House and $1,003,096,000 as proposed by the Senate.

The conference agreement on items in conference is as follows:

[In thousands of dollars]

	Budget	House	Senate		Conference
Procurement of W&TCV, Army:					
Bradley Fighting Vehicle family (AP–CY)					50,000
Armored gun system (AGS)			3,000		
FAASV		60,000		80	60,000
BFVS series (MOD)	185,494	185,494	110,494		110,494
Howitzer, MED SP FT 155MM M109 SER(MOD)	161,606	127,006	130,006		127,006
Production base support (TCV–WTCV)	73,287	63,000	63,000		66,000
Grenade launcher, auto, 40MM, MK19–3		13,100	16,600	1,141	17,600
Production base support (WOCV–WTCV)	26,572	26,572	21,057		21,057
Industrial preparedness	8,902	8,902	7,200		7,200
DBOF adjustment		−3,300			
DBOF Deny Milcon capital budget			−1,100		−1,100
DBOF technical correction			−1,700		−1,700
Total package fielding		−50,500			

BRADLEY FIGHTING VEHICLE (ADVANCE PROCUREMENT)

The conference agreement includes $50,000,000 for advance procurement for the Bradley Fighting Vehicle. This funding is provided in the event that the Army decides that additional procurement of these vehicles is required and affordable. The conferees direct that prior to obligation of these funds for BFV advance procurement, the Army shall present for prior approval to the committees on Approprations of the House and Senate an approved and funded program for additional Bradely Fighting Vehicle procurement. If such procurement is not approved or programmed, the Army may, with prior approval, reprogram these funds for other efforts within this appropriation.

ARMORED GUN SYSTEM

The Senate bill included $3,000,000 on the armored gun system line for initial production facilities for the EX35 gun proposed to be used on this vehicle. The budget and the House bill included no such funding. The conference agreement includes $3,000,000 on the production base support line for EX35 gun facilitization. The conferees direct that these funds not be obligated until the Department of Defense has approved and funded a program to procure this gun and provided program details including milestones and funding profiles, to the committees. The conferees direct that the EX35 gun shall be provided as government furnished equipment (GFE) for the Army's Armored Gun System and the Marine Corps LAV–105 if either system is procured.

TANK PROGRAMS

The conference agreement includes $90,044,000 for procurement of new M1 tanks and $225,000,000 for a tank upgrade program. These funding levels were provided by both authorization and both appropriations committees. The new production funding is to be combined with $150,000,000 provided in fiscal year 1991 for procurement of about 60 tanks. The purpose of the new production tanks is to provide production line continuity, when combined with supplemental funding and foreign military sales, to transition to the upgrade program. The conferees state their insistence that the Department proceed expeditiously to implement the upgrade program. The justification for this program is strengthened by the recent Army decision to stretch out the development and fielding of the new Block III tank.

With respect to the tank upgrade program, the Senate report raised serious questions about the Army's position that any upgrade of older M1s should be to the new M1A2 configuration. In particular, the Senate expressed concerns over the cost of upgrade to the A2 configuration versus the currently fielded M1A1 version.

The conferees agree that cost and affordability are serious issues with respect to implementation of an M1 upgrade program. However, the conferees are aware the Army has worked aggressively to reduce the costs of an M1A2 upgrade, significantly bringing down the estimated costs from the figures cited in the Senate report.

Moreover, the conferees believe the recent decisions concerning the Block III tank strengthen the argument for an M1A2 tank incorporating the latest in electronic and technical improvements. It should be noted that the M1A1, which was first fielded in 1986, embodies late 1970s-early 1980s technology. Absent an upgrade to the M1A2 U.S. forces will have to rely on technology which will be nearly three decades old by the time a new Block III tank may be ready for deployment.

As a consequence, the conferees agree with the position of the authorization committees that the upgrade program should be directed at conversion to the M1A2. As part of this decision, the conferees have added funding to continue M1A2 development, as outlined later in this report. Consistent with authorization action, the conferees direct that if a decision is reached to proceed with low-rate initial production of the M1A2, the funds in this Act provided for the tank upgrade program be used for conversion of older tanks to the A2 configuration.

Nevertheless, the conferees realize that key questions regarding M1A2 cost and performance remain unanswered. The conferees' continued support for an M1A2 upgrade is premised on the Army successfully resolving these issues.

The conferees note the testing program for the M1A2 has slipped, which should result in a corresponding slip on program decision milestones. Cutting corners in testing and evaluation in order to adhere to artificially contrived milestone dates will not be tolerated.

In addition, if the M1A2 is to be fielded, additional testing must be funded including organic logistics support, training devices, user testing, live fire tests and extended reliability, availability and maintainability. Such additional testing is required to bring the program to a Milestone III type classification standard.

The conferees direct that, prior to obligation of any of the M1 tank procurement or upgrade funds provided in the bill for M1A2-unique components, the Department submit an approved plan which incorporates a funded program (1) for completion of M1A2 testing, (2) for transition to production and/or upgrade to the M1A2 configuration, if approved, (3) for a long-term upgrade program, and (4) for fielding and supporting the new and upgraded tanks. Such a plan will include program milestones and costs, economic production rates, and acquisition and contracting strategy.

PROCUREMENT OF AMMUNITION, ARMY

Amendment No. 58: Appropriates $1,369,080,000 for Procurement of Ammunition, Army, instead of $1,364,859,000 as proposed by the House and $1,325,421,000 as proposed by the Senate.

The conference agreement on items in conference is as follows:

[In thousands of dollars]

	Budget	House	Senate		Conference
Procurement of ammunition, Army					
CTG, 5.56MM, all types	64,601	70,101	61,901		70,101
CTG, 7.62MM, all types	10,382	10,682	10,382		10,682
CTG, .50 CAL, all types	4,500	21,000	4,500		13,000
CTG, 25MM, all types	40,652	39,952	33,752		33,752
CTG, 30MM, all types		10,000			
PROJ, ARTY, 155MM, HE, M107		4,600		185	35,500
PROP CHG, 155MM, white bag		21,200			
FUZE, artillery, elec time, M762			22,000		22,000
First destination transportation (AMMO)	6,341		6,341		
Nitroguanidine	25,079	11,779	10,000		10,000
Provision of industrial facilities	74,923	74,923	78,423		75,923
Maintenance of inactive facilities	70,100	70,100	67,600		67,600

M72E4 LIGHTWEIGHT MULTIPURPOSE WEAPON

The conferees agree that the Army shall complete development and operational testing of the M72E4, type classify the weapon, and acquire a technical data package as was directed in the Urgent Supplemental Appropriations Act, 1986 (P.L. 99–349). The Army may use any available funds to complete the effort. These funds will be placed in Army P.E. 64801/Proj. No. D284. The Army may satisfy this Congressional requirement by testing and type classifying a newer configuration (E5/E6) of the M72 LAW.

NITROGUANIDINE

The conferees agree to provide $10,000,000 to be used only for the clean-up and decontamination of the nitroguanidine production facility at the Sunflower Army Ammunition Plant. Furthermore, the conferees direct that no funds from any component of the Department of Defense be reprogrammed, or otherwise be made available, for continued production for the nitroguanidine stockpile. The conferees expect that the plant will be laid away in an orderly fashion and that all production will cease no later than the end of fiscal year 1992.

CLASSIFIED PROGRAMS

Both committees denied $18,000,000 in initial production funding for a classified round based on technical problems and late type classification. The conferees agree that, with prior approval, the Army may reprogram initial procurement funding for this round once all testing and other milestones leading to type classification have been successfully completed.

The conferees note that the projected unit cost of this round is likely to be significantly higher than the round it replaces. Furthermore, it is designed against a threat

which has changed significantly. Therefore, the affordability of this program should be carefully examined before it enters production, particularly in light of declining procurement budgets in the future. The Army may want to consider putting a type classified or "productionized" round "on the shelf" and continuing to acquire the current round until the new round is needed.

PROVISION OF INDUSTRIAL FACILITIES

The conference agreement for provision of industrial facilities is $75,923,000, an increase of $1,000,000 above the budget and the House amount. The conferees recognize that the HMX prototype facilities at the Longhorn Army Ammunition Plant could be used for generic process technology research and development. They encourage the Department of Defense, using available R&D funding, to consider such uses prior to abandoning the plant and its engineering workforce. The $1,000,000 included in the bill is intended to maintain the HMX facility and engineering team while the Department identifies additional funding sources should it decide to continue work at the facility.

The conferees encourage the Army to establish a funded project to exploit technology for energetic materials processing using the twin screw mixing technology. This approach addresses environmental and safety issues in current explosives, gun propellent and other energetic military materials processing.

NATIONAL PRESTO INDUSTRIES FACILITY

The conferees agree that not to exceed $7,000,000 shall be available for obligation, within funds available in this appropriation, for environmental restoration at the National Presto Industries facility at Eau Claire, Wisconsin. However, such obligations shall be consistent with, and not in excess of, the financial responsibilities specified in the agreement of February, 1988 between National Presto Industries, National Defense Corporation, and the Department of the Army, and with any subsequent agreements. The Army shall report to the committees on the results of an agreement between Federal, State, and private interests in this facility and submit a prior approval reprogramming to implement the direction of this paragraph.

BADGER ARMY AMMUNITION PLANT

The conferees have been provided with conflicting opinions on the need to continue the operation of the Badger Army Ammunition Plant. A range of uncertainty surrounds the nation's future propellent requirement and industry's ability to surge production in the event of prolonged conflict. Under such circumstances, the conferees believe it is inappropriate to alter the status quo at the Badger facility until an additional evaluation of Army requirements is made and the conflicting positions on this issue are reconciled. The conferees will look to the hearing process next year to establish a consensus on the future of Badger Army Ammunition Plant and the propellent needs of our armed forces. Further, the conferees support the position of the Senate that the Secretary of Defense should make $840,000 immediately available for a study of the causes of contamination at the Badger Army Ammunition Plant so that infrastructure remediation efforts can proceed as soon as possible. The conferees believe that the problem of environmental remediation and restoration at the Badger plant should be given a high priority by the Department.

Amendment No. 59: Deletes House provisions requiring testing of plastic ammunition containers and making a portion of the appropriation subject to authorization.

OTHER PROCUREMENT, ARMY

Amendment No. 60: Appropriates $3,063,799,000 for Other Procurement, Army instead of $3,021,435,000 as proposed by the House and $3,013,798,000 as proposed by the Senate.

The conference agreement on items in conference is as follows:

[In thousands of dollars]

	Budget	House	Senate		Conference
Other procurement, Army:					
Tactical trailers/dolly sets	8,311	7,500	33,311		33,311
Semitrailer tank, 5000G		23,900			23,900
Family of medium tactical veh (MYP)	161,028	161,028	161,028	1,176	129,800
Heavy equipment transporter sys	182,859	161,359	160,000		160,000
Army data distribution system (ADS)	17,199	44,199	17,199		44,199
EAC communications	27,574	27,574	40,774		40,774
MOD of IN–SVC equip (EAC COMM)	16,209	12,209	16,209		16,209
TSE—Trunk encryption devices (TED)	7,099	7,099	4,244		4,244
Information systems	55,372	55,372	48,472		48,472
General defense intelligence prog (GDIP)	43,188	3,106	3,988		3,119
All source analysis sys (ASAS) (TIARA)	63,985	32,285	58,485		58,485
Commanders tactical term (CTT) (TIARA)	11,212	11,212	3,349	6	11,212
Night vision devices	102,944	102,944	94,350		102,944
Physical security systems	20,182	20,182	11,789		11,789
MOD of IN–SVC equip (TAC SURV)	30,806	30,806	26,206		26,206
Maneuver control system (MCS)	45,942	14,500			8,000
Automated data processing equip	75,278	75,278	89,571		86,633
ADP/CIM general reduction			−8,140		−8,140
Integrated family of test equip (IFTE)	48,048	62,048	48,048		62,048
TMDE modernization (TMOD)	19,794	19,794	9,794		9,794
Army printing and binding equipment	4,357	4,357			
PECIP and QRIP	7,071	7,071	5,671		5,671
Production base support (C–E)	1,000	12,500	1,000		12,500
Special programs	69,340		8,340		14,719
Chemical agent monitor	6,376	6,376	10,176	50	10,176
Laundry unit/TRL MTD	6,000	6,000	9,000	85	9,000
Soldier enhancement	12,278	11,578	12,278		11,578
Items less than $2.0M (CSS–EQ)	11,500	10,000	11,500		10,000
Water purif unit REV OS 3000 GPH	16,698		16,698	42	16,698
Medical support equipment	84,893	89,893	84,893		89,893
Training devices, nonsystem	104,926	74,926	104,926		84,926
DBOF adjustment		157,300			
Total package fielding		−90,700			
DBOF DENY MILCON capital budget			−1,100		−1,100
DBOF technical correction			62,000		62,000
Classified program		−5,000			

FAMILY OF MEDIUM TACTICAL VEHICLES

The conference agreement provides $129,800,000 for the second year procurement of the Family of Medium Tactical Vehicles. This amount, when combined with the $41,800,000 included in the Supplemental, fully funds the second program year for this program and restores the $15,900,000 taken from fiscal year 1992 funding to support the first program year requirements. The conferees emphasize their strong support for this program as a vital component of tactical truck modernization. The importance of modern tactical trucks was vividly demonstrated in Operation Desert Shield/Storm. With contract award just recently made for this program, the Army and the contractor now enter the challenging phase of production start-up. The conferees expect to carefully monitor progress during this phase in order to assess the justification for future funding requirements for the program. The conferees note that during the first two program years, the contract, appropriately, allows no procurement options above the quantities funded in the bill.

TACTICAL TRAILERS AND DOLLY SETS

The conferees agree to the funding level proposed by the Senate for tactical trailers and dolly sets. The conferees also agree with Senate report language directing the Army to consider modified M101 and M116 trailers for the High Mobility Trailer program. However, the conferees have reviewed Senate direction concerning responsibility for Army program management and agree that the Army may organizationally locate program management responsibility where it chooses.

SINGLE CHANNEL OBJECTIVE TACTICAL TERMINAL (SCOTT)

The conferees provide $17,878,000 for the SCOTT program, the amount of the fiscal year 1992 budget request. The conferees also remove the restriction contained in the fiscal year 1992 House Defense Appropriations Report directing the Army to adhere to its original operational test schedule for the SCOTT terminal.

Additionally, the conferees note the rapidly evolving world situation which undercuts the requirement for command and control of theater nuclear weapons and the final inventory objective for SCOTT terminals. The conferees therefore direct that the Army

thoroughly re-examine its acquisition strategy for SCOTT and propose an efficient funding profile as part of its fiscal year 1993 budget request.

Finally, the conferees support the timely acquisition of the medium data rate (MDR) Milstar terminal and believe that existing SCOTT technology may be leveraged to a significant extent in quickly developing a technical solution to the Army's MDR terminal requirements. The conferees direct that the Department provide a development and acquisition plan for the MDR terminals to the Committees on Appropriations not later than sixty days from the date of this report.

MANEUVER CONTROL SYSTEM

The conferees agree to provide $8,000,000 in fiscal year 1992 to provide for program management, engineering support costs, minor system upgrades, and other costs necessary to continue the Maneuver Control System program. In addition, the conferees note that Tactical Computer Terminal upgrades have been addressed in the National Guard and Reserve Equipment, Defense section of this report.

INTEGRATED FAMILY OF TEST EQUIPMENT (IFTE)

The conferees agree to provide $62,048,000 as proposed by the House instead of $48,048,000 as proposed by the Senate for the IFTE program. The conferees have also provided $7,000,000 in Army Research and Development funding to initiate the development of IFTE test program sets. The conferees understand that despite the changing force structure requirements, the Army has yet to develop a comprehensive fielding plan. Therefore, the conferees direct the Department of the Army to provide the Committees on Appropriations a report by July 1, 1992, listing all systems that are or will be supported by IFTE. The report should include a fielding plan, funding profile, and milestone schedule. The report should also address how the Army National Guard's and Army Reserve's requirements for test equipment will be met.

The conferees further direct that no efforts be made to develop or integrate an electronic or electro-optic capability to the IFTE-BSTF for use with the M1 series Abrams tank, Bradley Fighting Vehicle, or TOW/TOW II missile systems prior to the validation of the Army's IFTE cost and operational effectiveness analysis by the General Accounting Office. The GAO's report shall be completed no later than May 1, 1992.

COMMON HARDWARE/SOFTWARE II (CHS II)

The conferees concur with the concerns expressed in the fiscal year 1992 House Defense Appropriations Report about the CHS II program. While supportive of the Army's efforts to field the next generation of tactical computer systems, the conferees direct that a thorough requirement and economic analysis be conducted to determine the precise inventory objective for CHS II computers.

Further, the conferees believe that achieving a smooth transition from CHS I to CHS II computers is essential to avoid programmatic delays and wasteful expenditures. The conferees therefore direct the Secretary of the Army to establish management controls for this transition which should include: field testing of the proposed CHS II hardware, examination of CHS II performance specifications to ensure compatibility with user requirements, and a further specification review to ensure that they are not beyond available technology and that CHS II computers can be acquired and delivered through NDI acquisition procedures. The conferees further direct the Secretary of the Army to submit a report to the Committees on Appropriations by February 15, 1992 outlining the steps the Department of the Army has taken to ensure a smooth transition from CHS I to CHS II.

AUTOMATIC BUILDING MACHINES

For a few years the Army has contemplated placing its Apache helicopters in protective shelters to prevent a recurrence of the terrible losses suffered during a windstorm at Fort Hood. The Congress has provided funds for this purpose; however, the program has not yet begun.

Therefore, the conferees direct that the Army, from funds previously appropriated for that purpose, procure a minimum of 12 Super-span Automatic Building Machines. These machines may initially be used to construct protective shelters for helicopters. The conferees expect these funds to be obligated as expeditiously as possible.

AIRCRAFT PROCUREMENT, NAVY

Amendment No. 61: Appropriates $6,948,620,000 for Aircraft Procurement, Navy, instead of $7,683,633,000 as proposed by the House and $7,025,920,000 as proposed by the Senate.

The conference agreement on items in conference is as follows:

[In thousands of dollars]

	Budget	House	Senate		Conference
Aircraft Procurement, Navy:					
F-14A/D/REMFG (fighter) Tomcat	173,000	453,730	173,000	.....	173,000
F-14A/D/REMFG (fighter) Tomcat (AP-CY)	.....	50,000	.....	.....	.....
F/A-18 (fighter) Hornet	1,986,666	1,986,666	1,784,666	39	1,784,666
CH-46E	.....	.....	465,000	.....	.....
CH-46E (AP-CY)	.....	.....	60,000	.....	.....
CH/MH-53E (helicopter) Super Stallion	454,700	591,932	.....	16	339,700
CH/MH-53E (helicopter) Super Stallion (AP-CY)	54,128	.....	.....	.....	32,000
T-45TS (trainer) Goshawk	322,467	362,467	322,467	12	362,467
HH-60H (helicopter)	165,559	165,559	.....	.....	.....
KC-130T	.....	.....	67,000	.....	.....
C-130T	.....	.....	114,000	.....	.....
A-6 series	5,485	35,484	5,485	.....	21,485
F-14 series	53,562	53,562	53,562	.....	228,562
OV-10 series	4,176	23,176	4,176	.....	4,176
H-1 series	118,201	118,201	133,201	.....	133,201
H-2 series	108,202	116,202	108,202	.....	116,202
EP-3 series	18,486	18,486	33,486	.....	33,486
E-6 series	19,523	19,523	57,823	.....	57,823
Common ECM equipment	101,414	119,414	101,414	.....	119,414
Common ground equipment	440,245	440,245	418,752	.....	418,752
DBOF Deny Milcon capital budget	.....	.....	−5,300	.....	−5,300

AMENDED BUDGET SUBMISSION

The amended budget submission requested approval of various funding realignments within prior year aircraft procurement funds. The conferees hereby approve the following adjustments as proposed:

[Dollars in thousands]

	Amount
Fiscal year 1990:	
A-6 Mods	+$353,700
A-12	−99,661
A-12 (AP)	−181,248
Spares	−72,791
Fiscal year 1991:	
F/A-18	+180,264
F-14	+226,290
A-6 Mods	+296,000
F-14 (AP)	−126,290
A-12	−3,764
A-12 (AP)	−554,500
Spares	−18,000

AV-8B

The House recommended $40,000,000 for remanufacture of two existing AV-8B aircraft to test the concept of remanufacture. The Senate recommended $40,000,000 to finance solely the costs associated with line shutdown. The conferees agree to provide $40,000,000 for remanufacture of existing AV-8B aircraft.

F-14 TOMCAT

The conferees concur with the termination of the F-14D remanufacturing program as directed in the National Defense Authorization Act for fiscal year 1992. Funding of $173,000,000 is provided to close out the F-14 production program. In addition, the conferees recognize that the F-14 is likely to remain in the fleet well beyond the year 2000. Accordingly, the conferees believe that a modest upgrade program should be initiated to improve safety, survivability and reliability. To support this requirement, the conference agreement provides $228,562,000 for F-14 modifications. This amount is $175,000,000 over the budget request. The added funds will allow the Navy to begin an upgrade program in fiscal year 1992. The conferees believe the Navy should consider re-engining the F-14 fleet as part of this modification program.

F/A-18 HORNET

The conferees agree to provide $1,784,666,000 for procurement of 39 F/A-18 aircraft as proposed by the Senate. The conferees believe procurement of these 39 aircraft, when combined with the nine aircraft provided in the proposed supplemental for incremental costs of Operation Desert Shield/Storm, will result in an efficient production run. The combined quantity of 48 aircraft is consistent with the 1991 program and the proposed 1993 program as reflected in the amended budget submission.

CH-46E HELICOPTERS

The conferees agree to provide no funding for the CH-46E helicopter, rather than $525,000,000 as proposed by the Senate. The conferees recognize the urgent need to find a replacement for the current Marine Corps medium lift helicopter and believe the V-22 would satisfy that requirement. However, the conferees note the existence of a 30 percent shortfall in medium assault helicopters for the Marine Corps and an 11 percent shortfall in vertical replenishment assets for the Navy. Also, the additional time required to deliver V-22 aircraft as a result of the Phase-II Development program may require procurement of a "gap filler" aircraft. Accordingly, the conferees encourage the Department of the Navy to evaluate the near-term measures which can help satisfy vertical replenishment requirements for the Navy and Marine Corps medium assault requirements.

CH-53 HELICOPTERS

The conferees agree to provide $339,700,000 for 16 CH-53E Marine Corps heavy lift helicopters. The reduction of $115,000,000 from the budget request reflects moving procurement of 4 MH-53E minesweeper variants to the National Guard and Reserve Equipment account.

CH-53E ADVANCE PROCUREMENT

The conferees agree to provide $32,000,000 for CH-53E advance procurement. The amount provided is in anticipation of a request for 16 CH-53E helicopters in the fiscal year 1993 budget request.

SH-60B AND SH-60F HELICOPTER PROGRAMS

The conferees agree to provide the full budget request for the SH-60B and SH-60F helicopter programs. The conferees recognize the fact that the budget request may be in excess to actual funding requirements since the Navy's budget assumptions currently factor in a lower business base than that which is actually being experienced. In the event that the current budget request is in excess to requirements after completion of contract definitization, the conferees direct that $5,000,000 shall be available for only SH-60B FLIRS and that all residual funds shall be used only within these H-60 series programs to fund the incorporation of survivability and weapons upgrade modifications for which a requirement was demonstrated during fleet experience in Operation Desert Storm.

T-45 (GOSHAWK)

The conferees agree to provide $362,467,000 for 12 T-45 trainer aircraft. The amount provided is $40,000,000 more than requested. The recommendation allows the Navy to initiate the "cockpit 21" improvement program and to compete its aircraft engine if such a competition is determined by the Navy to be cost effective. However, the increased funds provided can only be used for cockpit 21 and/or to compete the engine to the extent that the Navy provides sufficient funds in its fiscal year 1993 budget request to maintain the program or programs at their accelerated pace.

HH-60 SEARCH AND RESCUE HELICOPTERS

The conferees agree to provide no funding for HH-60 helicopters as recommended by the Senate instead of $165,559,000 for 9 aircraft as proposed by the House. The conferees agree that procurement of this program should not be initiated until the follow-on test and evaluation has been successfully completed and the Navy has provided sufficient justification for this new capability.

KC-130T/C-130 AIRCRAFT

The conferees agree to provide KC-130T and C-130 aircraft for reserve units as part of the National Guard and Reserve Equipment account.

A-6 MODIFICATIONS

The conferees agree to provide $21,485,000 for A-6 modifications. This amount includes $16,000,000 above the budget request to be used for acquisition of video tape recorders as an aid for bomb damage assessment. The conferees believe that significant upgrades to the A-6 aircraft will be required if it is to remain a credible warfighting asset in the future. The Navy is directed to seriously address the issues outlined by its Operational Advisory Group, especially those regarding engine and radar upgrades. The conferees expect to see, in future budgets, an aggressive research, development, and procurement program which deals with the fact that this aircraft will be operating well past the turn of the century.

OV-10 SERIES

The conferees agree to provide $4,176,000 for OV-10 series aircraft modifications, the same as the budget request and $19,000,000 below the House recommended level. The conferees agree this program of block upgrade I modifications should be completed in an expeditious manner, and urge the Navy to adequately fund the program in the fiscal year 1993 budget request.

H-1 SERIES

The conferees recommend $133,201,000 for modifications on H-1 helicopters. The amount includes $15,000,000 more than requested. The increase is available to purchase commercially available thermal imaging systems for helicopters as recommended by the Senate.

H-2 SERIES

The conferees agree to provide $116,202,000 for SH-2G upgrade kits as recommended by the House, an increase of $8,000,000 to the budget request.

EP-3 SERIES

The conferees agree to provide $33,486,000 for modifications for EP-3 aircraft, an increase of $15,000,000 above the budget request. The recommendation provides $15,000,000 to install an integrated tactical data link capability on EP-3 aircraft to allow the transmission of data to ground forces, particularly Marines.

E-6 SERIES

The conferees provide $57,823,000 for modifications for E-6 aircraft. This amount is $38,300,000 more than requested. The increased funds are consistent with the authorization plan to upgrade communications capability of the E-6 so that it can assume the strategic communications role of the EC-135.

COMMON ECM EQUIPMENT

The conferees agree to provide $119,414,000 for procurement of Common ECM Equipment. The increase of $18,000,000 to the budget request is provided for procurement of rail chaff dispenser systems for fighter aircraft.

COMMON GROUND EQUIPMENT

The conferees agree to provide $418,752,000 as proposed by the Senate instead of $440,245,000 as proposed by the House.

Amendment No. 62: Deletes a House provision making a portion of the appropriation subject to authorization.

WEAPONS PROCUREMENT, NAVY

Amendment No. 63: Appropriates $4,562,621,000 for Weapons Procurement, Navy by program and activity instead of $4,726,795,000 by program and activity as proposed by the House and $4,611,848,000 in a lump sum as proposed by the Senate.

The conference agreement on the items in conference is as follows:

[In thousand of dollars]

	Budget	House	Senate		Conference
Weapons procurement, Navy:					
Trident II	977,353	977,353	1,199,753	28	977,353
Tomahawk	454,123	454,123	454,123	176	411,468
SLAM	37,803	212,803	37,803	150	167,803
HARM	210,691	210,691	.....	749	210,691
Standard missiles	415,254	415,254	415,254	330	332,154
Weapons industrial facilities	31,575	31,575	44,775	.....	44,775
Arctic satellite communications	3,728	.....	3,728	.....	.....
Ordnance support equipment	112,614	92,879	112,614	.....	92,879
Practice bombs	15,888	10,336	13,100	.....	13,100
Rockeye Pip	.....	.....	.....	.....	4,000
5 inch/54 gun ammunition	49,407	34,407	49,407	.....	34,407
CIWS ammunition	12,023	33,000	22,023	.....	22,023
Other ship gun ammunition	34,906	34,906	32,400	.....	32,400
Classified program	.....	−7,400	.....	.....	−7,300

TOMAHAWK

The President's budget included $454,123,000 for 236 Tomahawk missiles, including $42,655,000 for 60 nuclear tipped Tomahawks. On September 27, 1991, President Bush announced his initiative to reduce the U.S. nuclear arsenal including the withdrawal of nuclear Tomahawk cruise missiles from surface ships and submarines. In accord with the President's announced intention to deploy nuclear Tomahawks no longer, the conferees have deleted the funding requested in the budget for the 60 missiles.

SLAM

The conference agreement includes $167,803,000 for the Standoff Land Attack Missile (SLAM) program. The Navy is directed to procure as many SLAMs as possible with the available funding.

HARM

In prior years, the Congress has been a strong supporter of the low cost seeker. This alternative effort was appreciated as a distinct missile architecture offering the hope

of considerable savings through competition and the operation of two production lines. With planned annual procurement quantities of 2,300 or more, this strategy was sound.

Due to declining defense budgets and other factors, the anticipated annual HARM production quantities for the balance of the procurement do not exceed 1,250, barely sufficient to maintain one producer at a minimum sustaining rate. The Navy is well aware of the circumstances and has advised the Congress that anticipated production quantities will not support two sources.

In addition, the schedule for testing the low cost seeker has slipped considerably from the original plan. The result is that significant competition between two producers may not be feasible until fiscal year 1994.

In view of the reduced inventory objectives, the low annual procurement requests planned and the slippage in low cost seeker development and testing, the conferees believe that two producers may no longer make sound economical sense and direct the Navy to reexamine its acquisition strategy for 1992 and the out years with a view of getting the greatest return from the limited resources available.

STANDARD MISSILE-2

The Standard Missile-2 Block IV program has experienced considerable development problems and schedule delays in the past year. Primarily due to booster problems, the first successful propulsion test vehicle firing has been delayed more than a year. As a result, the initial production decision, once scheduled for the middle of fiscal year 1991, has slipped until December 1992, the first quarter of fiscal year 1993. A production decision in December 1992 will protect the priced option negotiated between the contractor and the government which expires on January 1, 1993.

Due to the program slippage, not all the funds appropriated or budgeted for the Standard Missile-2, Block IV program are currently required. None of the approximately $300 million provided in fiscal year 1991 for SM-2 Bock IV can be used in a timely manner. Accordingly, the conferees agree to the rescission of these funds as proposed by the House.

In addition, the $157.2 million requested in the fiscal year 1992 budget for 195 Block IV missiles no longer represents a viable program. The money cannot be placed on contract in 1992 and is insufficient to fund the priced option for 300 missiles which expires on January 1, 1993. The conferees support the Block IV program and want to maintain the viability of the 300 missile priced option. However, since the entire 1992 budget request cannot be properly utilized, the conferees have reduced the amount for the Block IV missile by $83.2 million. The remainder, $74 million, is available only for long lead items to protect the January 1, 1993 priced option and the anticipated first production missile delivery by June 1994.

The conferees emphasize that these actions are based solely on the schedule perturbations experienced and are taken without prejudice to the program. Assuming successful progress in the test program, the conferees expect the Navy to use the $74 million long lead funding as directed and the budget in fiscal year 1993 for the additional funds required to execute the priced option by January 1993.

IMPROVED TACTICAL AIR LAUNCHED DECOY

The fiscal year 1991 Defense Appropriations conference agreement included a total of $25,000,000 for the Improved Tactical Air Launched Decoy (ITALD) program. Based on information supplied by the Navy at that time, the funds were divided between research, development, test and evaluation ($8,000,000) and procurement ($17,000,000).

However, this year Department of Defense officials determined that funds provided in the Weapons Procurement, Navy account could not properly be used for the ITALD program at this stage of its development. In addition, the DOD estimated that the total development and evaluation cost of ITALD will be approximately $25,000,000. In order to align funding for ITALD more properly, the conferees agree to rescind $17,000,000 appropriated for 1991 ITALD procurement and to provide an additional $17,000,000 in research, development, test and evaluation, Navy, 1992/1993, for ITALD development.

PHOENIX MISSILE

The conferees are concerned that the Defense Department has not obligated the $60,000 authorized and appropriated for the Phoenix missile in fiscal year 1991, causing a costly delay in implementing a vital missile modification and retrofit program. Over the past 15 years, the Navy wisely invested in developing the Phoenix into a robust, long-range, high-energy weapon system, and for the next century is developing an improved follow-on capability in the advanced air-to-air missile (AAAM). The conferees continue to believe, however, that it is essential to maintain and support an adequate Phoenix missile capability until the AAAM is fielded in sufficient numbers. While the conferees agree it is a prudent risk to end the production of new Phoenix missiles, the conferees believe a missile retrofit program incorporating an already developed and demonstrated block upgrade to the AIM-54C is a necessary and cost-effective interim solution. Additionally, the prompt initiation of this program is necessary in order to avoid substantial restart costs. In view of the Navy's reliance on Phoenix capability well into the next century, and the near-term loss of Phoenix production capability, the conferees direct the Secretary of the Navy to obligate funds immediately for initiation of a Phoenix modification program as funded in the fiscal year 1991 Department of Defense Appropriations Act.

The conferees support the Navy's fiscal year 1992 budget request of $12,166,000 for the retrofit of an expanded reprogrammable memory, but direct the Secretary of the Navy to combine this effort within an overall Phoenix retrofit program to avoid multiple missile teardowns and duplication of effort.

Further, the conferees are concerned about the specific long-range missile inventory composition during the transition years as the phoenix is phased out and the AAAM is deployed. Accordingly, the conferees direct the Secretary of Defense to submit a comprehensive report within 180 days after enactment of this Act to the Committees on Armed Services and Appropriations of the Senate and the House of Representatives detailing an integrated plan on continued modernization and support of the Phoenix missile, including specific missile configurations and annual inventory levels. This report should cover the period from the present extending through the date at which the AAAM has completely replaced the Phoenix missile in the operational inventory.

ROCKEYE

The conference agreement includes $4,000,000 to complete Phase II of the Cockeye Product Improvement Program (PIP), as proposed in House authorization action. This agreement, however, entails no commitment to production once the testing phase is completed.

ARCTIC SATELLITE COMMUNICATIONS

The conferees agree with the House recommendation to delete $3,728,000 requested for acquisition of Navy Arctic communications satellites. However, to the extent that a more compelling case can be made for this program, the Navy may submit a prior approval reprogramming.

SHIPBUILDING AND CONVERSION, NAVY

Amendment No. 64: Appropriates $9,153,287,000 for Shipbuilding and Conversion, Navy by program and activity instead of $10,595,704,000 by program and activity as proposed by the House and $7,725,382,000 in a lump sum as proposed by the Senate.

The conference agreement on items in conference is as follows:

[In thousands of dollars]

	Budget	House	Senate		Conference
Shipbuilding and conversion, Navy:					
DDG-51	4,165,105	3,314,137	4,091,488	5	4,091,488
LHD-1 amphibious assault ship (MYP)		972,000			
LSD-41 (cargo variant)	245,134	245,134	241,118		
MHC mine hunter coastal	231,096	231,096	361,096	3	341,096
Tagos surtass ships		149,000		1	149,000
AOE	540,110	500,000		1	500,000
Oceanographic ships	129,818	41,200	129,818	2	99,818
Tags 39/40					55,000
Sealift/prepositioning		1,300,000			600,000
Service craft	15,468	60,468	15,468		35,468
LCAC landing craft	265,902	807,102	253,902	24	504,000
Outfitting	275,150	275,150	238,695		238,695
Post delivery	175,153	175,153	150,758		150,758
Inflation for prior years programs	524,900	599,900	318,675		463,600
DBOF deny Milcon capital budget			−1,000		−1,000

NOISE REDUCTION PUMPS

The conferees have been impressed by the low noise levels achieved by the improved oil service pumps developed for the SSN-21 Seawolf submarine. The conferees also endorse the Navy's plan to test retrofit kits that would pass on this benefit to both the SSN-688 and SSBN-726 class submarines. The Navy is encouraged to expedite this testing schedule to facilitate an early decision for further employment. The Navy should provide the test results to the congressional defense committees as soon as they are finalized.

DDG-51 DESTROYER

The conferees agree to provide $4,091,488,000 for the purchase of five destroyers. This amount is $73,617,000 below the request. The estimate assumes that Combat DF will be included on one of these destroyers.

LSD-41 CARGO VARIANT

The conferees provide no funds for the LSD-41 Cargo Variant. This reduction is made without prejudice.

MHC COASTAL MINE HUNTER

The conferees agree to provide $341,096,000 for the purchase of three MHC coastal mine hunters, an increase of $110,000,000 above the budget request.

OCEANOGRAPHIC SHIPS

The conferees include funding of $99,818,000 for the purchase of two oceanographic ships. The conferees agree that neither of these ships shall be an ocean-going ice capable monohull. The navy is directed to use a portion of this funding to expeditiously award the contract option for construction of TAGS-62 which was originally funded in fiscal year 1991.

AIR CUSHION LANDING CRAFT (LCAC)

The conferees provide $504,000,000 for the purchase of 24 air cushion landing craft (LCAC). The conferees direct the Navy to consider competing the contract for at least 12 of these craft.

TAGS 39 AND 40

The conferees make available $55,000,000 for contract overruns on the TAGS 39 and 40. Bill language is included which allows the Secretary of the Navy to pay this amount to the shipbuilder if the Secretary determines that such an award is justified.

SERVICE CRAFT

The conferees agree to provide $35,468,000 for service craft. The amount includes an increase of $20,000,000 which shall be for the purchase of water barges.

SEALIFT

The conferees agree to provide $600,000,000 for acquisition of sealift ships. The conference agreement is $700,000,000 below the House recommended level, and $1,400,000,000 below the Senate recommended level for Sealift and Prepositioning Equipment.

The House included a general provision which prohibited using any sealift funds provided in fiscal years 1990, 1991, or 1992 to acquire foreign constructed vessels. The conferees have amended the House language regarding the use of sealift funds for the acquisition of vessels constructed in foreign shipyards. The conferees are in agreement that no more than 15 percent of the funds available to the Department of Defense for sealift may be used to acquire ships constructed in foreign shipyards. The balance of the funds may be used for new contruction in United States domestic shipyards, or to accomplish conversion or modification in United States domestic shipyards of United States or foreign built vessels.

Subsequent to passage of the House bill, the conferees have been informed of numerous proposals, including many which call for conversion of foreign constructed ships, which appear to have a great deal of merit. Major conversions of foreign-built commercial vessels, notably the conversion of the eight high-speed SL-7 container vessels to T-AKRs (RO/ROs) in the early 1980s, proved essential to U.S. sealift capabilities in Operations Desert Shield and Desert Storm. Some of the conversion proposals would provide significant work to U.S. domestic shipyards and possibly to a broader range of facilities than would a program limited to new construction.

Moreover, the conferees note that a program of major conversions may also be a means of getting a program of new construction off the ground. The failure of the Department of Defense to proceed with a sealift program has accentuated the need for immediate action to correct sealift deficiencies made evident during Operations Desert Shield and Desert Storm.

The conferees agree with Senate language encouraging the Defense Department to consider a CRAF like program for sealift. Such a program might require the Defense Department to contract with U.S. companies to modify existing or new vessels with commercial applications to a useful military configuration. Funds for this purpose would not be precluded under section 8117.

While major conversions can play a significant role in revitalizing sealift capabilities, the conferees intend the sealift program to provide support for the domestic shipbuilding industrial base. Therefore, the conferees have reserved most of the funds available for sealift to pay for work done in the United States while preserving some flexibility for major conversions through the acquisition of foreign hulls. In addition, the conferees note that component parts, such as propulsion systems, etc., needed in the construction or for the conversion or modification of vessels for sealift be manufactured in the United States as required by law.

Finally, the conferees continue to be disappointed at the slow progress of the Department of Defense in producing a Mobility Requirement Study and in establishing a program to correct sealift shortfalls. Therefore, no acquisition of foreign built vessels is permitted until the study is submitted to the congressional defense committees.

ESCALATION

The conferees provide $463,600,000 to cover the cost of inflation on prior year ships. The conferees agree with Senate language governing the use of these funds and associated reporting requirements. The specific allocation of funds is listed directly below:

[In thousands of dollars]

Program	1985	1986	1987	1988	1989	1990	1991
Trident	800	7,198	5,022	3,950	17,790	49,309	22,509
CVN-68				130,024			
SSN-688	14,856	49,908	31,746	16,857	28,259		
SSN-21					20,009		2,865
DDG-51			719			40,581	13,146
MHC-51					55		
T-AGOS					959	183	
AOE			29		596	1,105	
Icebreaker						5,125	

PRIOR YEAR SHIPBUILDING CONTRACT OVERRUNS

The Conferees agree to provide transfers of $1,496,591,000 from various prior year Navy programs to cover cost overruns in shipbuilding programs. The amounts provided reflect generally the specific needs identified by the Navy. The conferees remain concerned that insufficient management attention is being directed toward restricting prior and current shipbuilding cost growth by the Navy secretariat. Instead, the approach appears to be one of relying on external funds to resolve funding problems. The apparent current lack of fiscal discipline does not bode well for future problems.

Include in the amounts transferred, the conferees provide $118,881,000 for the fiscal year 1989 T-AO program. This amount includes new funding of $125,000,000 offset by a reduction of $6,119,000 as suggested by the Navy. The increase is provided to require the Navy to configure three T-AO tankers with double hulls. The conferees believe this is a prudent response to recent environmental problems caused by privately owned tankers which were not double hulled. The specific source of funds are listed below, followed by the accounts receiving funds.

[In thousands of dollars]

Transfers Out	
Aircraft Procurement, Navy, 1990:	
A-12	893,500
Aircraft Procurement, Navy, 1991:	
Common Ground Equipment (CASS)	53,100
Modifications	8,500
ALR-67	20,000
Weapons Procurement, Navy, 1990:	
Spare and Repair Parts	12,800
Weapons Procurement, Navy, 1991:	
Trident (AP)	15,900
Mk-48	2,000
Transfers Out	
5/54 Modifications	3,100
Standard Missile	20,000
Trident II	8,900
Shipbuilding and Conversion, Navy, 1988:	
T-AO	3,523
Shipbuilding and Conversion, Navy, 1989:	
LCAC	2,225
Post Delivery	2,669
Shipbuilding and Conversion, Navy, 1990:	
SSN-688	9,656
LSD-41 (CV)	655
MHC	4,509
T-AGOS	665
Patrol Boats	4,223
Special Support Equipment	2,047
LCAC	22,953
Post Delivery	606

Transfers Out

Shipbuilding and Conversion, Navy, 1991:

Trident	44,687
DDG–51	64,900
LSD–41 (CV)	1,303
MHC	3,142
AOE	161,200
TAGS	43,100
LCAC	4,137
Landing Craft	8,700
Outfitting	3,691

Other Procurement, Navy, 1991:

SLQ–32	4,000
Mobile Fire	200
Strategic Missile	56,700

Procurement, Marine Corps, 1991:

SMAW	29,300

Transfers In

Shipbuilding and Conversion, Navy, 1985:

Trident	14,318
SSN–688	35,000
MCM	5,082
T–AO	29,616

Shipbuilding and Conversion, Navy, 1986:

Trident	1,000
SSN–688	32,112
LSD–41	2,454
MHC	9,900
T–AO	460
T–AG	4,400

Shipbuilding and Conversion, Navy, 1987:

Trident	9,600
SSN–688	116,641
DDG–51	90,093
AO Jumbo	400
T–AGOS	825
T–AO	460

Shipbuilding and Conversion, Navy, 1988:

Trident	66,469
SSN–688	29,600
CVN	95,230
LSD–41 (CV)	7,261

Shipbuilding and Conversion, Navy, 1989:

Trident	71,800
SSN–688	19,125
SSN–21	97,658
MHC	25,920
AO Jumbo	5,949
T–AGOS	15,800
T–AO	118,881

Transfers In

Shipbuilding and Conversion, Navy, 1990:

Trident	36,271
CVN–65	100,100
CV–SLEP	57,178
DDG–51	146,788
MCM	4,170
AO Jumbo	4,500
MTSD	9,000
Oceanographic Ship program	8,530
Icebreaker	59,000

Shipbuilding and Conversion, Navy, 1991:

LHD–1	165,000

Amendment No. 65: Deletes a House provision making a portion of the appropriation subject to authorization.

OTHER PROCUREMENT, NAVY

Amendment No. 66: Appropriates $6,432,463,000 for Other Procurement, Navy instead of $6,574,568,000 as proposed by the House and $6,306,544,000 as proposed by the Senate.

The conference agreement on items in conference is as follows:

[In thousands of dollars]

	Budget	House	Senate		Conference
Other procurement, Navy:					
Underway replenishment equipment	36,315	31,315	36,315		31,315
Firefighting equipment	29,904	28,404	29,904		29,904
Standard boats	19,940	19,940	19,940	326	21,940
Modernization support	786,159	786,159	879,159		879,159
AN/SPS–48	20,354	68,854	20,354		44,604
MK–23 Target acquisition system	21,101	19,401	21,101	2	19,401
Radar support	10,057	10,057	9,257		9,257
Surface sonar support equipment	21,948	21,948	17,611		17,611
AN/SQQ–89 Surf ASW combat system	315,275	313,378	312,183		312,183
AN/BQQ–5	165,848	165,848	89,566		147,264
Surface sonar windows and dome	12,246	12,246	8,246		8,246
Surmarine acoustic warfare system	19,350	18,250	19,350		18,250
AN/SQR–18 towed array sonar		5,000			5,000
ASW operations center	30,752	30,752	27,679		27,679
Enhanced modular signal processor					91,200
AN/SLQ–32	116,385	116,385	112,085		112,085
AN/SSQ–95		12,000			12,000
C–3 Countermeasures	21,398	19,498	21,398		20,398
Combat DF	10,091	10,091	974		10,091
Naval Intell processing system	18,324	16,024	18,324		16,024
Submarine support equipment program	4,662	4,662	3,662		3,662
Navy tactical data system	56,718	56,718	53,526		53,526
Tactical flag command center	31,613	30,613	31,613		30,613
Link 16 hardware	39,357	30,857	39,357		39,357
Other training equipment	25,439	25,439	19,139		19,139
Automatic carrier landing system	37,524	35,524	37,524		35,524
Air station support equipment	25,273	25,273	24,843		24,843
FACSFAC	4,147	4,147	1,647		1,647
TADIX–B	14,448	14,448	10,848		10848
NCCS ashore	34,424	34,424	33,023		33,023
Over the horizon radar	2,754		2,754		2,754
Shore elec items under $2 million	10,267	10,267	7,263		7,263
Shipboard tactical communications	65,046	44,546	65,046		59,546
Flight deck communications	1,405	1,405			
Portble radios	22,182	10,000	20,182		15,000
Shore LF/VLF communications	7,420	2,420	5,915		5,915
Satcom ship terminals	167,489	167,489	157,963		157,963
Shore HF communications	28,685	28,685	24,876		24,876
Secure voice system	67,988	66,988	61,688		61,688
Secure data system	55,623	55,623	51,520		51,520
Sonobuoys	77,531	70,379	77,531		70,379
Air expendable countermeasures	65,033	64,288	70,033		64,288
Meteorological equipment	33,008	29,608	33,008		30,808
MK–92 fire control system	12,463	11,000	37,463		12,463
Tartar support equipment	28,926	18,126	28,926		28,926
Surface tomahawk support equipment	53,533	46,033	53,533		53,533
Vertical launch systems	64,333	43,733	64,333		43,733
Ram support equipment		20,000			20,000
Armored sedans	159		159		
Amphibious equipment	86,049	92,049	86,049		92,049
First destination transportation	17,633	17,000	17,633		17,000
Special purpose supply systems	131,737	129,108	131,737		131,737
Command support equipment	22,701	21,201	22,701		21,201
Intelligence support equipment	42,138	36,173	38,638		36,973
Environmental support equipment	13,417	13,417	23,417		23,417
Computer acquistion program	126,965	129,715	71,565		74,315
ADP/CIM reduction			−44,979		−44,250
Spares and repair parts	515,389	470,389	515,389		500,000
DBOF adjustment		165,000			
Deny DBOF milcon capital budget			−38,700		−38,700

STANDARD BOATS

The conferees agree to provide $21,940,000 for the Standard Boat program, an increase of $2,000,000 above the budget request. The $2,000,000 shall be made available only for the procurement of U.S. built totally enclosed life boats. Funds for this purpose were appropriated in the past, however, $2,000,000 of the funds were reprogrammed to help cover the costs associated with the Navy's clean up of Hurricane Hugo related damage.enhanced m

ENHANCED MODULAR SIGNAL PROCESSOR (EMSP)

The conferees agree to provide $91,200,000 to initiate multiyear procurement of the Enhanced Modular Signal Processor program. The conferees have also included bill language authorizing the Department of the Navy to enter into a multiyear contract for procurement of Enhanced Modular Signal Processors. Additional comments on this program appear in the RDT&E section of this statement.

AN/SSQ-95

The conferees agree to provide $12,000,000 for low rate initial production of the AN/SSQ-95 to support the primary application of the buoy and to support multiple applications of the payload needed to meet the sea, and air requirements of the Navy. The conferees establish this program as an item of special interest and direct the Navy to submit to the Committees on Appropriations by February 1, 1992 as acquisition plan for the AN/SSQ-95 providing for contract award during fiscal year 1992.

METEOROLOGICAL EQUIPMENT

The conferees agree to provide $30,808,000 for the Metorological Equipment program The conference agreement restores funds for the Automated Surface Weather Observer System.

NAVY SMALL CRAFT/BOAT PROGRAM

The conferees recommend that the Navy open competition on small craft/boat programs to all small craft/boat manufacturers.

Amendment No. 67: Deletes Senate proviso concerning obligations for the Advanced Video Processor program and substitutes a proviso authorizing multiyear procurement for the Enhanced Modular Signal Processor program.

PROCUREMENT, MARINE CORPS

Amendment No. 68: Appropriates $1,079,951,000 for Procurement, Marine Corps, instead of $1,043,218,000 as proposed by the House and $1,100,570,000 as proposed by the Senate.

The conference agreement on items in conference is as follows:

[In thousands of dollars]

	Budget	House	Senate		Conference
Procurement, Marine Corps:					
40 mm, all types	107,491	107,491	62,191	—	62,191
120mm heat MP-T M830	36,143	36,143	26,843	—	26,843
120mm TP-T M831	5,092	5,092	—	—	—
155mm HE ADAM	40,200	40,200	80,400	—	80,400
Light anti-armor weapon	5,277	35,277	30,002	—	30,002
Items under $2M (trkd veh)	219	—	219	—	—
Hawk Mod	8,709	2,500	8,709	—	2,500
TOW	—	30,000	—	2,400	30,000
Tactical air oper module (TAOM)	—	27,000	—	4	27,000
Tactical intelligence enhancement	—	—	—	—	25,000
Night vision equipment	9,491	9,491	9,491	—	39,491
FMTV	—	—	85,000	—	—
Towed assault bridge	—	—	6,500	40	6,500
Spares and repair parts	82,191	31,000	72,191	—	31,000

TACTICAL INTELLIGENCE ENHANCEMENT

The conference agreement includes $25,000,000 for enhancement of Marine Corps tactical intelligence capability. Authorization action and the Senate bill (in a separate amendment) provided funding for specific equipment items for Marine Corps tactical intelligence. The conferees believe that the allocation of unbudgeted funding for enhancement of Marine Corps tactical intelligence should be allocated by the Marine Corps as a part of a long term program. Such allocation may include procurement of equipment identified in authorization legislation and the Senate bill.

Prior to obligation of funds provided for tactical intelligence enhancement, the Marine Corps is directed to provide to the committees an allocation of these funds, together with a funded long range program to continue these enhancements in future years. The conferees are aware that enhancement of Marine Corps tactical intelligence capability was an important need arising out of "lessons learned" from Operation Desert Shield/Storm. Tactical intelligence enhancement is an item of special Congressional interest.

NIGHT VISION EQUIPMENT

The conference agreement includes $39,491,000 for night vision equipment. prior to obligation of these funds, the Marine Corps is directed to provide to the committees an allocation of these funds, together with a funded long range program to continue these enhancements in future years. The conferees are aware that enhancement of Marine Corps night vision capability was an important need arising out of a "lesson learned" from Operation Desert Shield/Storm. Night vision equipment is an item of special Congressional interest.

SPARES AND REPAIR PARTS

The conference agreement includes the funding level proposed by the House for Marine Corps spares and repair parts. With respect to replenishment spares, the conferees see no reason for treating the funding of these items differently from the rest of the Department of Defense. Accordingly, $41,191,000 has been included in the operation and maintenance appropriation for replenishment spares. The Marine Corps, as a component of the United States Navy and Department of Defense, is directed to work with the Office of the Secretary of Defense to develop a budgeting mechanism for replenishment spares which is compliant with Defense Department standards and acceptable to the Office of the Secretary of Defense. The Marine Corps shall report to the committees on the results of these discussions. If additional procurement resources are required to implement any agreement, they may be transferred, with prior approval, from available funds.

TERMINALLY GUIDED ANTIARMOR MORTAR PROJECTILE

The Senate report supported nondevelopment evaluation of a terminally guided antiarmor mortar projectile and asked for the results of such an evaluation, along with recommendations. The conferees agree that such an evaluation may take place if the funds to undertake it can be identified. Such agreement, however, shall in no way be construed as an endorsement of this weapon. Introduction of such a weapon raises questions such as force structure, doctrine, tactics, target acquisition, and target designation. In addition, such a weapon appears to be unaffordable in the current budget climate. The Marine Corps and the Army shall carefully consider all these factors when deciding if such a weapon is suitable for fielding.

[In thousands of dollars]

	Budget	House	Senate		Conference
Aircraft Procurement, Air Force:					
B-1B (MYP)	107,895	62,595	.....	.....	62,595
B-2A	2,456,028	.....	2,456,028	.....	1,800,000
B-2A	.....	.....	.....	1	1,000,000
B-2A (AP-CY)	455,268	.....	455,268	.....	.....
F-15 E	169,657	169,657	169,657	.....	504,957
F-15E (By transfer)	.....	.....	(722,200)	.....	.....
F-16 C/D (MYP)	1,073,187	1,073,187	73,187	48	1,073,187
FN16 C/D (MYP) (AP-CY)	78,100	78,100	.....	.....	78,100
F-117	.....	.....	1,027,000	.....	.....
C-17 (MYP)	1,975,203	1,975,203	1,424,000	4	1,525,203
C-17 (MYP) (AP-CY)	222,424	222,424	122,424	.....	172,424
C-130H	245,479	245,479	272,979	9	290,000
C-130H (AP-CY)	120,421	.....	120,421	.....	.....
LC-130H	.....	.....	92,000	2	92,000
E-8B (AP-CY)	62,700	62,700	125,400	.....	125,400
B-1B	195,647	140,147	115,700	.....	97,375
F-15	295,537	294,537	297,037	.....	297,037
F-16	250,985	250,985	253,985	.....	253,985
F-117	.....	.....	85,000	.....	.....
TR-1A	55,101	55,101	.....	.....	.....

[In thousands of dollars]

	Budget	House	Senate		Conference
C-141	45,203	45,203	105,203		45,203
C-135	465,108	465,108	426,808		586,808
Classified projects	56,254	22,273	68,254		68,254
Spares and repair parts	984,465	689,765	770,865		603,965
Common age	469,335	280,493	468,535		330,493
Other production changes	445,331	419,750	562,731		547,750
Common ground equipment			700		
DBOF adjustment		37,300			
DBOF Deny Milcon capital budget			3,500		3,500

AIRCRAFT PROCUREMENT, AIR FORCE

Amendment No. 69: Deletes centerheading proposed by the Senate.

Amendment No. 70: Appropriates $10,412,350,000 for Aircraft Procurement, Air Force instead of $7,444,121,000 as proposed by the House and $10,349,396,000 as proposed by the Senate and deletes transfer language proposed by the Senate.

The conference agreement on the items in conference is as follows:

F-15E AIRCRAFT

The conferees agree to provide $527,657,000 in this appropriation for the F-15E program including $22,700,000 for spare parts. The amount includes an increase of $358,000,000 above the budget request for the purchase of support equipment. In addition to the funds provided under this heading, $250,000,000 from the proceeds of the sale of F-15 aircraft to Saudi Arabia shall be used for the purchase of six aircraft, and the remaining $364,000,000 shall be for support equipment as directed in the National Defense Authorization Act for fiscal year 1992. Additional funding has been provided in the pending Desert Storm supplemental for three aircraft. In total, this conference agreement and the supplemental provide sufficient authority for the purchase of nine F-15E aircraft as authorized and the requisite support equipment. The conferees note that these nine aircraft are in addition to the 36 aircraft for which funds were provided in fiscal year 1991 and direct that the funds identified here and those provided in fiscal year 1991 for the F-15 program shall be used to buy 45 F-15E aircraft.

F-16 AIRCRAFT

The conferees agree to provide funds to support the purchase of 48 F-16 aircraft in fiscal year 1992, with advance procurement for an additional 24 aircraft in fiscal year 1993 as recommended in the budget. The budget recommended termination of the program after the fiscal year 1993 buy. While the conferees are concerned with industrial base issues both for this program and others, production of the F-16 aircraft after fiscal year 1993 solely for industrial base concerns or to bridge the gap until a multirole fighter may not be justifiable. However, the conferees are concerned that the cancellation of the multi-year contract for the F-16 program could result in substantial termination costs in addition to leaving the Air force without a warm fighter production line. Therefore, the conferees recommend the air force review its requirements for the F-16 aircraft, obligate funds so as to optimize the savings that are possible in the current contracted actions, if appropriate, and reexamine its plans with regard to the F-16 multi-year contract.

C-130H

The conferees agree to provide $290,000,000 for the purchase of eight C-130H aircraft for the Air Force and one HC-130H aircraft for the Air National Guard as recommended by the Senate.

C-17 ADVANCE PROCUREMENT

The conferees agree to provide $172,424,000 for advance procurement of long lead items for the C-17. The conferees urge the Air Force to expend these funds and to budget for fiscal year 1993 for the maximum possible quantity of C-17 aircraft.

B-1B MODIFICATIONS

The conference agreement provides $97,373,000 for B-1B bomber modifications which is to be allocated as follows:

	Amount
Overwing fairing fire protection	$24,000
Overwing fairing fire prevention	47,800
1122 technique	8,500
All other	17,075

The total contains no funding for simulator updates or SRAM II integration (advanced stores carriage).

SPARES AND REPAIR PARTS

The conferees agree to the following changes to the budget request:

	Amount
B-2	−$289,100,000
C-17	−60,000,000
SRAM II integration	−5,700,000
Classified program	−48,400,000
F-15	+22,700,000

COMMON SUPPORT EQUIPMENT

The conference agreement reflects the following adjustments to the budget request:

$94,583,000 for ground powered generators;

$8,334,000 for demountable noise suppressors;

$8,755,000 for large turbo fan engine noise suppressors; and

$47,170,000 for special operations mobile electronic test sets/radio frequency mobile electronic test sets.

Amendment No. 71: Deletes provision added by the Senate which would have restricted the use of procurement funds for the B-2 program until receipt of Secretarial certification on B-2 performance and enactment into law of a supplemental appropriations act providing for the obligation of funds for the program.

Amendment No. 72: Deletes provision added by the Senate which would have prohibited the use of funds provided for B-2 procurement unless the Secretary's certification included assurance that flight testing had successfully demonstrated the B-2's original radar cross section operational performance objectives.

MISSILE PROCUREMENT, AIR FORCE

Amendment No. 73: Deletes centerheading proposed by the Senate.

Amendment No. 74: Appropriates $5,235,450,000 for Missile Procurement, Air Force instead of $5,243,841,000 as proposed by the House and $5,332,671,000 as proposed by the Senate.

The conference agreement on the items in conference is as follows:

[In thousands of dollars]

	Budget	House	Senate		Conference
Missile Procurement, Air Force:					
Peacekeeper (M-X)	195,178	124,200	566,100		195,178
Peacekeeper (By transfer)			(95,500)		
AGM-131A SRAMII	10,969	10,969	10,969		
AGM-88A HARM	113,151	113,151		465	113,151
AMRAAM	653,232	768,432	497,032	700	534,232
MM II/III modifications	144,715	144,715	152,115		152,115
Spares and repair parts	104,279	90,062	104,279		90,062
Global positioning (MYP)	150,084	150,084	123,184	4	123,184
DEF meteorological SAT PROG (MYP)	108,052	108,052	19,352	2	108,052
Space boosters (MYP)	295,614	195,614	295,614		295,614
IONDS (MYP)	39,786	18,716	18,686	4	18,716
Special programs	2,419,740	2,146,840	2,180,340		2,230,340
Classified programs	32,594	−7,800	32,594		42,400
DBOF adjustment		48,400			

MX MISSILE

The Department of Defense requested $195,178,000 to cover the cost of terminating the MX production line in fiscal year 1992, five years earlier than planned.

The conferees note that the Armed Services Conference Committee authorized the procurement of six new missiles for fiscal year 1992. The conferees agree to provide the Department $195,178,000 for fiscal year 1992 to preserve the option of continuing to produce MX missiles until expected strategic arms control negotiations clarify the future status of the system. These funds are provided without prejudice for either production line termination, or continued new missile production at the discretion of the President of the United States, as strategic interests warrant.

ADVANCED CRUISE MISSILE (ACM)

The conferees note there have been several problems with Advanced Cruise Missile testing in the past twelve months resulting in delays in the program. In light of these developments, the conferees understand that

the Department intends to delay the downselect decision beyond fiscal year 1992 as directed by last year's conference report. Because of the delays, the conferees agree with the Air Force revised plan to delay the downselect decision beyond fiscal year 1992.

AMRAAM

The conferees have included a total of $739,913,000 for 891 AMRAAM missiles, including $205,681,000 for 191 missiles funded in Weapons Procurement, Navy. The House conferees rescind their earlier disapproval of the proposed reprogramming of $83,000,000 to the AMRAAM program derived from the sale of Sparrow missiles to Saudi Arabia. Those funds, when combined with the amount appropriated, should permit the purchase of approximately 900 missiles.

TITAN IV SPACE LAUNCH VEHICLES

The House deleted $400 million from the total request of $1.2 billion and concluded that "the Air Force is acquiring launch vehicles at a rate far in excess of the payloads available to be launched; the TITAN IV vehicle is not presently performing up to the contract specifications; the CENTAUR upper stage recently failed during a non-TITAN IV launch; and the SRMU has had one accident or failure after another". The Senate added $50,000,000 "to address problems with development of the booster's solid rocket motor upgrade".

The conferees agree that the TITAN IV program is a vital component of the launch capability of the United States, but are concerned with the program's troubled history and the previous lack of management attention provided by both the Air Force and the contractors involved. In compliance with the House report language, the Department of Defense submitted a detailed report highlighting corrective actions taken to date as well as plans for improved management in the future. The conferees are encouraged with the recent attention given to the program at the highest levels of the Department as well as industry and agree to restore the $400 million deleted by the House and to permit continuation of the Solid Rocket Motor Upgrade program. However, the conferees also agree that the success of the program should be reviewed as a part of the fiscal year 1993 budget request. While the actions taken by the Air Force and industry may well correct the problems, the conferees are concerned that even a remote possibility of an unsuccessful SRMU development program necessitates a potential near term alternative. Consequently, the conferees endorse the "Phase O" review initiated by the prime contractor and direct the Air Force to continue the evaluation of alternatives as a hedge, hopefully never required, in the event of additional program failures.

As an additional corrective measure, the conferees believe that it would benefit both the government and industry if the degree of concurrence in the development of the SRMU were reduced in order to reduce the technical risk to the program. The Air Force is directed to begin negotiations to permit sufficient delay in SRMU production to permit a more rational completion of the development effort. However, this should not be construed as an endorsement of any remuneration for past contractor financial loses due to poor performance.

The conferees also believe that by April 15, 1992 the DOD Inspector General should review the current SRMU contract to determine to what extent, if any, the fixed price development contract contributed to the current unsatisfactory program status. Based upon this review, 30 days after the second SRMU test firing the conferees direct the Secretary of the Air Force to report to the House and Senate Committees on Appropriations the financial and technical desirability of continuing with the current fixed price contract.

The conferees specifically note that the current TITAN IV contract is only for 41 launch vehicles, that no funds have been requested, and none are being provided, for any follow-on contract for core vehicles or solid rocket motors of any type beyond that number. It is the conferees understanding that any request for additional vehicles or solid rocket motors will not be submitted to the Congress until fiscal year 1993. The House agrees to hold in abeyance until the fiscal year 1993 request for a follow-on by its direction to change the program management of the TITAN IV from the Air Force Space Division to the user community.

In addition, the conferees urge the Air Force to consider other program initiatives, such as a single engine CENTAUR, to improve the reliability of the overall program.

The conferees agree to provide an increase of $1,500,000 to the budget request in RDT&E, Air Force to fund studies to address the feasibility of constructing a multi-use medium launch vehicle pad at Vandenberg Air Force Base, California. The conferees also agree to remove the House restriction that the $250,000,000 originally budgeted for the Advanced Launch System program in the Strategic Defense Initiative may only be used for upgrades to the TITAN IV system.

Amendment No. 75: Deletes Senate language which would have provided $95,500,000 for missile procurement by transfer.

Amendment No. 76: Deletes House proviso which would have permitted the obligation of funds for AMRAAM after receipt of the beyond low rate initial production report, the provisions of section 163 of Public Law 101-189 to the contrary notwithstanding. The conferees understand the authorization conference addressed this issue.

OTHER PROCUREMENT, AIR FORCE

Amendment No. 77: Deletes centerhead.

Amendment No. 78: Appropriates $8,068,104,000 for Other Procurement, Air Force instead of $8,001,524,000 as proposed by the House and $7,859,296,000 as proposed by the Senate.

The conference agreement on items in conference is as follows:

[In thousands of dollars]

	Budget	House	Senate		Conference
Other procurement, Air Force:					
20 MM combat		25,000		900	8,120
20MM training				4,500	16,880
MK-82 INERT/BDU-50			13,800		13,800
Laser bomb guidance kit	17,565	55,100	17,565	265	17,565
Truck, dump 5 ton	6,491	5,491	6,491	159	5,491
Items less than $2,000,000	20,323	19,323	20,323		19,323
Air traffic ctrl/land sys (ATCALS)	14,135	14,135			14,135
Tactical air control sys improve	68,865	64,365	68,865		67,365
Weather observ/forcast	59,524	58,524	38,909		58,524
Defense support program	52,066	48,066	34,066		52,066
SAC command and control	35,929	31,329	6,521		31,329
Defense meteorological sat prog	16,806	9,106	7,306		7,306
TAC sigint support	20,471	18,371	4,971		4,971
Dist early warning rdr/north warning	9,233	8,233	9,233		8,233
Tactical ground intercept facility	13,134	13,134			
TR-1 ground stations	41,955	41,955	110,155		
Imagery trans	22,843	22,843	343		22,843
Automatic data processing equip	85,739	79,889	81,248		79,998
ADP operations consolidation	70,358	70,538			
ADP/CIM reduction			−2,342		−2,342
WWMCCS/WIS ADPE	17,642	16,642	17,642		16,642
MAC command and control support	16, 851	16,851	9,651		16,851
Range improvements	51,665	46,665	86,665		86,665
Satellite control facility	27,836	27,836	25,836		25,836
Constant watch	5,457	5,457	2,657		5,457
Telephone exchange	60,641	59,841	52,241		59,841
Joint tactical comm program (MYP)	48,418	47,418	48,418		47,418
Minimum essential EMER COMM net	17,546	17,546			
Tactical C-E equipment	32,997	32,997	24,562		24,562
Radio equipment	2,268	2,268	2,768		2,768
Spares and repair parts	162,457	160,000	63,134		122,800
Spares (by transfer)			(99,323)		
Items less than $2,000,000	9,726	9,726	9,126		9,126
COMM-Electronics class IV	26,680	25,000	26,680		25,000
Base procured equipment	33,485	35,985	33,485		35,985
Intelligence production activity	62,888	36,022			34,519
Selected activities	5,387,165	5,271,286	5,499,065		5,458,515
DBOF adjustment		65,200			
Classified program		−350			−100
Classified programs					130,700

SENSOR FUZED WEAPON

The budget included $108,650,000 for the initial procurement of the Sensor Fuzed Weapon, which was funded in both the House and Senate versions of the bill. The House report, however, questioned the cost-effectiveness and affordability of this weapon and directed the Air Force to describe and justify the procurement strategy and to perform a new cost effectiveness analysis if the budgeted quantity of weapons could not be procured. The Senate report directed the Secretary of Defense not to approve production until cost effectiveness was demonstrated.

The conferees continue to be skeptical about the continued mission requirement and cost effectiveness of this weapon, especially considering the current budget climate and the diminished likelihood of the tactical scenarios for which the weapon is optimized. Furthermore, the General Accounting Office has recently concluded that previous Air Force analysis did "not compare the weapon's cost and operational effectiveness to the full range of weapons that can be used to interdict enemy forces, such as Air Force mines and Army surface-to-surface and air-to-surface missiles." In addition, given the troubled development experience of this program and the experience of other "high tech" weapon programs as they enter production, it is highly unlikely that the production costs assumed in the current long term budget are realistic. Yet these unrealistic production costs have been used to justify SFW in previous cost effectiveness studies.

Therefore, the conferees direct that prior to obligation of any SFW procurement funding, the Secretary of Defense certify to the committees that the program is justified as being affordable and effective on the basis of analysis which includes, as a minimum (1) current and accurate production cost estimates, (2) a comparison with alternative weapons for all assumed scenarios, (3) an assessment of the priority of SFW compared to other tactical warfare requirements, and (4) an analysis of the mission requirement for the Sensor Fuzed Weapon now that its original mission, the destruction of massed tank formations of the Warsaw Pact, no longer exists. The certification shall also include a funded procurement profile and a description and justification for the proposed procurement strategy.

DEW RADAR/NORTH WARNING

The conferees agree to provide $8,233,000 for the DEW Radar/North Warning program. Included in that total is $1,000,000 for a facility to house communications and monitoring equipment.

SPARES AND REPAIR PARTS

The conferees agreed to a reduction of $39,657,000 for spares and repair parts, in electronics and telecommunications equipment. This reduction includes a transfer of $37,200,000 to another account for a classified program.

TRV/SRV PRODUCTION

In previous years funds have been authorized and appropriated in the RDT&E and procurement accounts for the Tower Restoral Vehicle/Surveillance Restoral Vehicle (TRV/SRV) Program. Despite past Congressional direction, previously appropriated procurement funds have not been obligated. The conferees direct that the available procurement funds be obligated as expeditiously as possible once development milestones are completed.

Amendment No. 79: Deletes Senate transfer.

NATIONAL GUARD AND RESERVE EQUIPMENT

Amendment No. 80: Appropriates $1,877,800,000 instead of $1,292,500,000 as proposed by the House and $667,300,000 as proposed by the Senate.

The conference agreement on items in conference is as follows:

[In thousands of dollars]

	Budget	House	Senate		Conference
National Guard and Reserve equipment:					
Miscellaneous equipment		25,000	5,700		25,000
Communications electronics		15,000			15,000
Sincgars radios		15,000			15,000
Night vision		15,000			15,000
Tactical trucks		20,000			20,000
C-12F			9,300	3	9,300
Miscellaneous equipment		23,500	5,000		15,000
AN/SQQ-T1 trainers		10,000			10,000
C-130T aircraft		57,000		4	114,000
HH-60H upgrade kits		45,000			45,000
MH-53 helicopter			129,000	4	129,000
Lamps MK-1 ASW upgrade		35,000			35,000
P-3 upgrades		20,000			20,000
MILW vans					15,000
Communication equipment		15,000			10,000
Miscellaneous equipment		15,000	7,500		10,000
KC-130T aircraft		67,000		2	67,000
AH-1W Cobra aircraft		71,000		6	71,000
Miscellaneous equipment		25,000	7,500		10,000
C-130 aircraft		200,000		12	348,000
F-16 modifications		20,000			
Miscellaneous equipment		25,000	15,000		15,000
Tactical trucks		20,000			10,000
C-23 aircraft		62,000		10	60,000
C-26 aircraft		21,000	6,000	1	3,000
MLRS launchers			110,000	29	110,000
MLRS rockets				6	48,000
Night vision devices		15,000			15,000
Communications electronics		15,000			15,000
TCT upgrade					8,200
Squad engagement training devices					10,000
Sincgars radios		35,000			35,000
AH-1 mods C-nite					15,000
Miscellaneous equipment		25,000			
C-130 aircraft		50,000	337,300	13	337,300
C-26 aircraft		21,000		6	18,000
MH-60 helicopters			35,000	4	35,000
F-16 modifications		15,000			10,000
F-15/F-16 engine upgrade		40,000			20,000
Lantirn		90,000			
F-15 MSIP		40,000			20,000
Tac Air Control improvements		125,000			95,000

TACTICAL TRUCKS

The conference agreement includes $20,000,000 for the Army Reserve and $10,000,000 for the Army National Guard for the procurement of tactical trucks. The conferees agree that these funds shall not be used for the procurement of the Family of Medium Tactical Vehicles unless the Guard or Reserve elect to wait until full rate production is approved for these trucks. The conferees understand the priority these trucks have for Guard and Reserve units but note that production rates and deliveries under the recently awarded contract are appropriately limited until production capability has been demonstrated. In addition, the newly awarded contract includes no procurement options, above the basic quantities which have already been funded, until the third program year.

MISCELLANEOUS EQUIPMENT—ARMY RESERVE

The conference agreement includes $25,000,000 for miscellaneous equipment for the Army Reserve. The conferees agree that $2,000,000 of this amount shall be made available only for the procurement of UH-1 helicopter external auxiliary fuel systems.

SQUAD TRAINING DEVICES

The conferees agree to provide $10,000,000 for squad engagement training devices and the reserve staff simulation center for the Army National Guard.

NIGHT VISION DEVICES

Of the $15,000,000 provided for the procurement of night vision devices for Army National Guard units, the conferees direct that sufficient funding shall be provided to procure 77 aviation night vision goggles for crew members and 55 standard night vision goggles for ground support personnel of the 1st Battalion, 193d Aviation, Army National Guard.

SINCGARS

The conferees agree with House language which directs the Department of the Army to make modern communications equipment, such as the AN/PRC-127 radio, available to Infantry Divisions of the Army National Guard during annual training so that the platoon leaders, squad leaders, and assistant squad leaders can communicate.

AH-1 MODS C-NITE

The conferees agree to provide $15,000,000 to purchase infrared night targeting systems for two attack helicopter companies. To ensure compatibility, the system procured should be the same as currently used in AH-1F units in the active Army.

TACTICAL COMPUTER TERMINAL

The Maneuver Control System is an automated tactical command and control system that provides a network of computer terminals to process combat information for battle staffs. The Maneuver Control System includes Tactical Computer Terminals (TCT) and Tactical Computer Processors (TCP) equipment.

The conferees agree to provide $8,200,000 for the TCT program. These funds will cover the cost of upgrades in processing power and memory, but does not include procurement of the color screen which was a recently added requirement. The conferees also concur with the Army plan to use the $6,000,000 appropriated in fiscal year 1991 for upgrading the TCP equipment.

The conferees note that earlier Army plans were to field this equipment for interim use to the Active Force, and then transfer it to the Guard and Reserves when replacement equipment was procured.

To make most effective use of the MCS equipment under current circumstances the conferees direct that the upgraded TCT equipment be provided to the Guard and Reserves to ensure expeditious fielding of this equipment. The conferees further direct that contracts be awarded for these upgrades as expeditiously as possible.

AIR FORCE RESERVE

The conference agreement contains $348,000,000 for 12 C-130H aircraft for the Air Force Reserve, including four aircraft for the 910th tactical Airlift Group at Youngstown, Ohio.

AIR NATIONAL GUARD

Included in the conference agreement is $337,300,000 for 13 C-130H aircraft for the Air National Guard. It is the conferees' understanding that eight of the aircraft are for the Wyoming Air National Guard, four are for the North Carolina Air National Guard and one is for the North Dakota Air National Guard.

AIR NATIONAL GUARD F-16 UNITS

The Committee of Conference directs the Air Force to initiate, immediately in the first quarter of fiscal year 1992, the modernization process for those Air National Guard F-16 units that deployed to Operation Desert Storm, in priority over any nondeploying unit, leading to equipping these deploying units with updated F-16 aircraft. Units with the Close Air Support (CAS) mission will be equipped with Block 30 aircraft. Units with other than the CAS mission will be equipped with Block 40 aircraft. In order to ensure that critical maintenance training is accomplished in a timely manner within this process, maintenance aircraft will be delivered to these units not later than the end of the fourth quarter of fiscal year 1992. The modernization process for these units will be completed no later than the end of the fourth quarter of fiscal year 1993.

RESERVE COMPONENT CHAFF/FLARE DISPENSERS

The conferees are distressed to learn that none of the Air National Guard and Air Force Reserve F-15s have chaff and flare dispenser systems. Despite several years of activity, the ALE-45 system is currently not scheduled for installation in Guard aircraft until the third quarter of fiscal year 1993. This schedule could slip further since the validation/verification and flight tests have not been conducted and completed. The ALE-40 chaff and flare dispenser system has been prototyped and a limited flight test conducted on a F-15A and could possibly be available more quickly for significantly less than the cost of the ALE-45. Recognizing the importance of this issue, the conferees direct the Air Force, within available funds, to proceed immediately with the procurement and installation of chaff and flare systems and to seriously consider the ALE-40 system as an interim solution until the ALE-45 is fielded. The Air force is directed to provide the Committees on Appropriations, by April 1, 1992, a detailed implementation and funding plan for proceeding with the rapid introduction of chaff and flare systems on Guard and Reserve F-15 aircraft. This plan shall include a detailed analysis of the ALE-40 system as a possible interim solution.

C-26

The conferees agree to provide $21,000,000 for the purchase of seven C-26 aircraft. Of these funds, $3,000,000 is for the Army National Guard for the purchase of one aircraft to be located in Hawaii. The remaining funds shall be for the Air National Guard to purchase six aircraft.

MOBILE INSHORE UNDERWATER WARFARE (MIUW) VANS

The House included $15,000,000 in the "Drug Interdiction and Counter-Narcotics, Defense" appropriation to: (a) integrate new shallow water sonar, magnetic and thermal/visual imaging systems into the MIUW Central Acoustics Processor and (b) procure and integrate the AN/ALR-66 ESM systems into the MIUW vans of the Navy Reserve. The conferees agree that the Department should begin to upgrade all 28 vans. Even though these vans play an important role in the counter-narcotics mission of the Department of Defense, the conferees believe that the upgrades should be included in this appropriation.

Amendment No. 81: Deletes House provision making a portion of the appropriation subject to authorization.

PROCUREMENT, DEFENSE AGENCIES

Amendment No. 82: Appropriates $2,250,826,000 instead of $2,708,446,000 as proposed by the House and $2,087,400,000 as proposed by the Senate.

The conference agreement on items in conference is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
Procurement, Defense Agencies:				
Major Equipment:				
Major Equipment, OSD/WHS	89,952	89,952	39,952	39,952
ADP/CIM Reduction			87,400	−87,400
Supercomputers		65,000		42,000
Electronic Warfare		40,000		
C-20F Aircraft		89,400	93,000	93,000
Major Equipment, NSA Classified Equipment			−18,000	
DIA, Major Equipment: Intelligence and comm			69,700	
DLA: Other Major Equipment		32,500		10,000
DSPO: Major Equipment	239,240	239,240	179,240	179,240
OSIA:				
Vehicles	20	20	50	50
Other Capital Equipment	7,501	7,501	8,471	8,471
Special Operations Command:				
C-130 Modifications	101,663	157,163	101,663	157,163
Aircraft Support	24,791	15,091	24,791	15,091
Patrol Boat, Coastal	2,605	41,205	2,605	4,205
Special Warfare Equipment	23,608	18,886	23,608	23,608
Miscellaneous Equipment	40,999	51,699	50,499	50,099
Classified Programs	124,264	86,470	124,264	129,263
Other:				
Classified Programs	465,965	541,727	465,965	577,092
Mentor-Protege Program			30,000	30,000
Joint Simulation Office			10,000	10,000
DBOF Adjustment		230,400		
Defense Finance and Accounting Service		33,200		

SUPERCOMPUTERS

The House bill provided an additional $65,000,000 for supercomputer procurement. The Senate bill had no similar procurement. The conferees agree to a funding level of $42,000,000.

Because of the divergent approaches that are appropriate and available for upgrading DOD supercomputational capabilities, the conferees believe that it is essential to expeditiously complete the supercomputer modernization upgrade plan called for by the FY 1992 Authorization Conference Report and previous Appropriations Conference Reports.

C-20 AIRCRAFT

The conferees agree to provide $93,000,000 for the purchase of three C-20F Gulfstream IV aircraft as authorized. The conferees understand that these funds are sufficient to provide for three C-20F aircraft configured for Department of Defense use. The conferees have provided funding for the aircraft with the understanding that they shall be located in the Pacific to provide the longer range capabilities required for serving that region. The conferees would object to any other deployment plan for these three aircraft.

RED RIVER ARMY DEPOT

The conference agreement includes $10,000,000 for advance procurement of capital equipment associated with the Defense Logistics Agency project of developing a modern wholesale supply operations center at the Red River Army Depot. The conferees believe that moving forward rapidly with this project will provide a unique asset which will perform a critical and necessary role in future DOD wholesale supply operations.

SPECIAL OPERATIONS FORCES

The conferees agree to provide $981,730,000, which represents the following adjustments to the budget request:

	Amount
EC-130E modifications	+$72,800,000
Other C-130 mods	−17,300,000
ALL-TV spares	−9,700,000
Patrol crafts	+1,600,000
Miscellaneous equipment	+9,100,000
Classified programs	+4,999,000

EC-130E MODIFICATIONS

The funds for EC-130E modifications are to support Rivet Rider program of the 193rd Special Operations Group (SOG). In addition, the conferees direct the Air Force to expeditiously identify two C-130E aircraft and transfer them to the 193rd SOG.

PATROL CRAFT

The additional $1,600,000 is to fund the shortfall in the patrol craft program. The Command shall ensure that the stabilized weapon platform system is fully funded. The conferees direct the Department to ensure that all support costs are funded for the patrol craft program and that funds and other resources associated with the patrol craft program are addressed in future budget submissions.

MISCELLANEOUS EQUIPMENT

The conferees understand that additional funds are needed for various SOF-unique equipment. The conferees expect the Department to address this shortfall and provide supporting data in the fiscal year 1993 budget submission.

Amendment No. 83: Restores and amends House language which earmarks funds for the Special Operations Command. The conferees agree to provide $981,730,000 instead of $972,815,000 as proposed by the House.

DEFENSE PRODUCTION ACT PURCHASES

Amendment No. 84: Deletes House language which included an appropriation paragraph for the Defense Production Act Purchases, appropriated $25,000,000, and made the appropriation subject to authorization.

The conferees take this action without prejudice, but do not believe it is prudent to provide additional appropriations until the Department of Defense develops a plan to utilize the funds appropriated in fiscal years 1990 and 1991. Since the Defense Production Act Purchases fund is to purchase or commit to purchase metals, minerals, or other materials required to support and maintain a strong domestic industrial base, the conferees direct the Department of Defense to prepare and submit to the Committees on Appropriations by May 1, 1992, an implementation plan on the utilization of funds currently available to this appropriation. This plan should specify the metal, mineral, or material to be purchased or committed to be purchased and the funds required.

PROCUREMENT OF SEALIFT AND PREPOSITIONING EQUIPMENT, DEFENSE

Amendment No. 85: Deletes House appropriation of $995,000,000 for procurement of prepositioning equipment and deletes Senate appropriation of $2,000,000,000 for procurement of sealift and prepositioning equipment.

These programs are discussed at the beginning of the procurement section of this report.

TITLE IV—RESEARCH, DEVELOPMENT, TEST AND EVALUATION

FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTERS (FFRDCS)

The conferees have reviewed the Department's use of FFRDCs and found that these institutions provide essential support for the Department and the nation. The FFRDCs' work includes research, development, and demonstration of technology for national defense. The U.S. has also benefitted from the many business spinoffs initiated as a result of this research and development. To insure the proper and predictable operation of this important national resource, we direct the Department to submit a plan detailing a uniform management process and policy to insure effective and predictable management of FFRDCs.

The conferees have included a general provision (section 8107), which reduces the fiscal year total funding requested for FFRDCs by $133,300,000, 4 percent less than the amount originally appropriated for these organizations in fiscal year 1991. The conferees direct that no FFRDC should receive a disproportionate share of this reduction. Additionally, this reduction should not be applied to the Software Engineering Institute which was specifically increased by the conferees and the work of the Institute of Defense Analyses sub-component which is addressed in the classified annex to this Statement. The conferees also agree to the House and the Senate language and reporting requirements included in Reports 102-95 and 102-154.

The conferees appreciate that the Deputy Secretary of Defense has taken the Congressional concerns seriously and has directed changes in the Department's administration of FFRDCs. The conferees direct the Services to diligently implement the Secretary's direction.

The conferees further direct the Navy, in submission of its fiscal year 1993 budget, to consolidate into one program element, all of the various lines which support the Center for Naval Analysis and to end its practice of utilizing the reprogramming process to maintain level of effort activities.

The conferees request the General Accounting Office (GAO) to review the salaries of the FFRDC professional staff and officers and compare these salaries with civil service employees. It is the goal of the conferees to determine a base by which the Congress can evaluate appropriate cost and charges of the FFRDCs.

Furthermore, the conferees have included a general provision (section 8107) which prohibits a member of an FFRDC Board of Directors-Trustees from simultaneously serving on the Board of Directors-Trustees of a profit-making company under contract to the Department of Defense, unless the FFRDC has a written, OSD approved, conflict of interest policy for its Board members. The conferees want to ensure that there is no actual or perceived conflict of interest between FFRDC actions and the actions of weapons systems contractors.

UNIVERSITY AUDITS

The conferees agree to a total reduction of $30,423,000 for first year savings associated with revised auditing standards of Department of Defense contracts with institutions of higher education.

In response to concerns that administration and auditing procedures in place at universities and colleges receiving contracts and grants from the Department of Defense were inadequate and questionable, the Administration has implemented a series of changes. These changes were not implemented before the fiscal year 1992 budget was submitted and therefore the resultant cost savings are not reflected in the President's request. These changes have been reflected in the conferees' agreement.

The conferees further agree that the Department work with OMB to develop a reasonable method of determining overhead rates. The Department's cost negotiating performance must improve so that abuses of the past are not repeated. The Department is directed to reduce the backlog of university audits.

The conferees endorse both the Senate and House report language regarding university research grant abuses. The conferees direct that these funds are to be deducted only from the Defense Research Sciences program elements and the other program elements in the technology base budget category.

LABORATORY CONSOLIDATION

The conferees direct the General Accounting Office (GAO) to study and report to the Chairmen of the Appropriations Committees on the Department of Defense's plan to consolidate and/or convert Defense research and development laboratories, with special emphasis placed on the Navy Research, Development, Test and Evaluation, Engineering, and Fleet Support Activities.

The report shall contain an evaluation of the recommendations of the Federal Advisory Commission on Consolidation and Conversion of Defense Research and Development Laboratories and the 1991 Base Closure and Realignment Commission (BCARC). The evaluation shall address all appropriate cost data, personnel relocation assumptions, force structure requirements, and any duplication of effort between facilities.

The conferees expect the Department to comply fully with any relevant requests made by the GAO and that a full response to the GAO findings and recommendations be made a part of the final report.

CONTRACTOR TRAVEL

The conferees agree to a total reduction of $63,000,000 for first year savings associated with reduced travel costs and the use of discounted air fares by defense contractors. The House agrees with the Senate position on this issue.

The conferees direct that none of the reductions assigned to the individual accounts shall be assessed against any project to which funds were added by Congress.

RDT&E REPROGRAMMING ACTIONS

The conferees agree to the Senate language on reprogramming actions with the following amendment: For a below threshold reprogramming action which moves funds into a program element, the limit is $4,000,000; a below threshold reprogramming action which moves funds out of a program element, the limit is $4,000,000 or 10 percent, whichever is greater.

MEDICAL RESEARCH

Walter Reed Army Institute of Research (WRAIR). The conferees are aware of the wretched condition of the building which houses WRAIR. The building is in such deplorable condition that WRAIR is in violation of many safety codes. Researchers working out of this facility are to be commended for their outstanding contribution to medical research in light of such working conditions.

The conferees are also aware that the Army requested approximately $95,000,000 in 1992 for construction of a new facility for WRAIR. These funds were withheld by the OSD Comptroller before the budget was submitted to Congress. The conferees direct that funding for a new WRAIR be provided in fiscal year 1993 and that this be accomplished by increasing the Army's Total Obligational Authority by the same amount. Other Army programs and projects shall not be reduced to pay for a new WRAIR facility.

The conferees note that $5,000,000 was appropriated in the fiscal year 1992 Military Construction Appropriation for the planning and design of a new facility for the Walter Reed Army Institute of Research. The ASD(HA) is directed to ensure that the design effort started by the Corps of Engineers continues without interruption.

The conferees further direct the Army to submit a schedule and funding plan for the renovation and use of WRAIR's Building 40 after it is vacated, and the historic buildings at the Forest Glen site. The conferees agree that the Army may want to consider moving offices out of expensive leased commercial space and into these buildings. To assist in the renovation plans associated with the facilities at the Forest Glen site, the conferees have provided $2,000,000 in real property maintenance funding in the Operation and Maintenance section of this Statement.

It has come to the attention of the conferees that, in line with direction from the Base Closure and Realignment Commission (BCARC), the Army has moved some functions from Letterman Army Institute of Research (LAIR) to Walter Reed and is designing a new building to house these functions. The conferees agree it would be more cost effective for Walter Reed to use these BCARC funds for a new parking garage and renovate a portion of Building 40 for the functions transferred from LAIR. The Army is therefore directed to pursue this course of action and keep the House and Senate Appropriations Committee apprised of the programs on this issue.

Armed Services Biomedical Research and Evaluation Management Committee (ASBREM). The conferees agree with the Senate position directing the inclusion of the Director of Defense Research and Engineering (DDR&E) as the Chairman of the ASBREM. Additionally, the conferees direct that the Assistant Secretary of Defense for Health Affairs (ASD/HA), or his designee, be the Co-Chairman of the ASBREM.

Transfer of the medical research function to the ASD (HA). The conferees opposed the transfer of the medical research function from research and acquisition to Health Affairs or the Uniformed Services University of the Health Sciences (USUHS). The conferees note that the Congressional Departmental goal of consolidated medical programs has been accomplished in the medical research area. The Armed Services Biomedical Research and Evaluation Management Committee (ASBREM) oversees the research conducted by each service and directs funding to various research projects. There is no need to create an additional management layer as proposed by the Department. The conferees agree that the ASD(HA) should be involved with the ASBREM decision making process and have therefore directed that he be appointed as the Co-Chairman of the ASBREM.

Acquired Immune Deficiency Syndrome (AIDS). The conferees laud the Army research community for its breakthrough in HIV/AIDS vaccine development. In recognition of this work, and the need to continue this important research, the conferees have provided the following amounts for HIV/AIDS research:

[Dollars in Thousands]

	Budget	Appropriations	Change
In-House Independent Research	$1,000	$1,000	0
Medical Technology	3,500	5,500	+$2,000
AIDS Research	3,259	28,009	+24,750
Medical Systems	6,400	6,400	0
Medical Materiel	3,500	3,500	0
Total	17,659	44,409	+26,750

DD Form 1414 for the fiscal year 1992 RDT&E, Army appropriation shall show the AIDS program funding as a special interest item, a decrease to which requires prior Congressional approval.

The Congress considers AIDS research of such great importance to the health of both military personnel and the general population, it has increased funding for this program over the past few years. The Army research community has used these additional funds well by making breakthrough advances in the development of an AIDS vaccine. Army financial managers however, have not seen the wisdom of the Congressional interest and have not provided adequate funding in subsequent budget requests. The conferees believe this causes undue turbulence in the AIDS research program as people are hired to conduct research in one year only to be told that funds will not be available in the next year for the research to continue.

Therefore, the conferees agree that the Army increase the total authorized personnel level to 100 during 1992 and 1993. The Army shall not simply transfer these positions from other medical research areas. Since the 1991 funding level supports 77 federal employees, the directed personnel increase is supported by the fiscal year 1992 Congressionally-approved funding level.

Furthermore, the conferees agree that a 2–4 year "Walter Reed Fellowship In Vaccine Development" should be established at the Walter Reed Army Institute of Research. The purpose of this Fellowship is to provide research opportunities in the area of military medical vaccine development. The conferees direct that 4–6 new Fellows be selected each year to participate in the AIDS research program. The conferees further agree that approximately 2–3 of the candidates shall be military and that all candidates must possess an M.D., D.V.M., or PH.D.

Funding. The conferees have provided the following additional (above the budget request) funds for medical research projects:

[In thousands of dollars]

	Amounts
Army:	
A. Defense Research	+11,500
Neuroscience Center	(10,000)
Nutrition Research	(500)
Infectious Disease Research	(1,000)
B. Medical Technology	+18,200
AIDS	(2,000)
Infectious Disease Research	(7,200)
Nutrition Research	(1,000)
Neurofibromatosis Research	(8,000)
C. Laser Burn Treatment	+1,000
D. Prostate Cancer Treatment	+2,000
E. Breast Cancer Research	+25,000
F. Medical Advanced Technology	+4,500
Infectious Disease Research	(500)
Nutrition Research	(1,000)
Biological Defense Research	(3,000)
G. AIDS Research	+24,750
Navy:	
Medical Development	+21,000
Bone Marrow typing research	(20,000)
Infectious Disease Research	(1,000)
Air Force:	
Human Systems Technologies	+10,000
Research Facilities	(10,000)
Defense agencies:	
Military Nursing	+1,000
Medical Free Electron Laser	+3,600
Coop. DoD/VA Medical Research	+20,000

Infectious Disease Funding. The conferees direct the Army to provide $15,238,000 to the Navy for its infectious disease efforts which when added to the $1,000,000 increase in the Navy's budget for medical research (0603706N), will make a total of $16,238,000 available to maintain the 1991 level of funding. Additionally, the conferees agree with the language in both the House and Senate reports concerning the requirement for the ASBREM to resolve any infectious disease funding issues.

The ASBREM is directed to submit a report to the Appropriations Committees detailing how the fiscal year 1991 funding has been spent by the Army and the Navy and a plan for spending the 1992 funds.

Neuroscience Center of Excellence. The conferees have provided $10,000,000 only for a grant a Louisiana State University only for the Neuroscience Center of Excellence which is intended to provide the Defense Department additional critical medical research capabilities. This research will enable and provide collaborative, multi-disciplinary basic and clinical research, training, and production capabilities in infectious disease and biological defense vaccine and drug research and development, vision research, neurotoxins, neurochemistry, molecular neurobiology, neuro-degenerative diseases and disorders, and trauma and combat casuality care of importance to the Defense Department. DD Form 1414 for the fiscal year 1992 RDT&E, Army appropriation shall show this project as a special interest item, a decrease to which requires prior approval from Congress.

MANUFACTURING TECHNOLOGY

For the purposes of Section 203(d) of the Department of Defense Authorization Act for fiscal year 1992, the conferees direct the Secretary of Defense to include in the National Defense Manufacturing Technology Plan all industrial preparedness and manufacturing technology projects for which funds have been specifically appropriated by Congress.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY

Amendment No. 86: Appropriates $6,562,672,000 for Research, Development, Test and Evaluation, Army instead of $6,241,621,000 as proposed by the House and $6,280,361,000 as proposed by the Senate.

Amendment No. 87: Restores House language which provides $6,300,000 for the Vectored Thrust Combat Agility Demonstrator; provides $2,000,000 for the establishment of a Center for Prostate Disease Research at the Walter Reed Army Institute of Research; and directs that not less than $10,000,000 be provided as a grant to the Neuroscience Center of Excellence which is intended to provide the Defense Department additional critical medical research capabilities.

The conference agreement on items addressed by either the House or Senate is as follows:

[In thousand of dollars]

	Budget	House	Senate	Conference
Research development test and eval Army:				
In-house laboratory independent research	14,812	12,812	8,946	8,946
Defense research sciences	179,363	200,863	173,891	190,863
Other tech base university grants	.....	.....	3,452	.....
Electbomechanics and hypervelocity physics	2,959	12,959	2,959	2,959
Materials technology	11,537	11,537	16,537	11,537
Survivability enhancement	5,769	5,769	20,769	10,769
Laser weapons technology	5,191	5,191	484	484
Combat vehicle and automotive technology	44,106	37,206	44,106	37,206
Ballistics technology	53,977	73,977	53,977	62,977
Weapons and munitions technology	39,463	46,463	39,463	39,463
Electronics and electronic devices	16,894	25,894	19,994	19,994
Human factors engineering technology	10,372	5,372	10,372	5,372
Environmental quality technology	18,984	28,984	24,734	29,734
Command, control, communications technology	19,226	19,226	18,726	18,726
Logistics technology	31,552	34,352	31,552	34,352
Medical technology	89,579	139,579	96,579	107,779
Army artificial intelligence technology	3,374	2,374	3,374	2,874
MPIM technology	.....	7,000	.....	7,000
Simulation facility	.....	.....	.....	8,000
Medical advanced technology	22,245	26,745	23,745	26,745
Laser burn treatment	.....	.....	1,000	1,000
Prostate disease research	.....	.....	2,000	2,000
Breast cancer research	.....	.....	.....	25,000
Weapons and munitions advanced technology	40,865	49,365	43,865	55,865
Tractor red	6,721	6,721	11,721	11,721
Acquired immune deficiency syndrome (AIDS) research	3,259	16,259	28,009	28,009
Tractor cage	20,966	20,966	24,966	24,966
Landmine warfare and barrier advanced technology	8,728	23,728	18,728	26,728
X-rod	.....	34,000	.....	.....
Multi-purpose weapon	.....	6,000	.....	6,000
Anti-satellite weapon (ASAT)	65,000	51,000	65,000	51,000
Classified programs	22,186	14,263	22,186	22,186
Advanced anti-tank weapon systems	.....	68,300	.....	137,000
Smoke, obscurant and equipment defeating systems–adv	17,004	11,004	17,007	14,004
Armored systems modernization–adv dev	400,808	322,508	359,008	300,988
Advaned tank connon system (ATACS)	.....	.....	.....	40,000
Army data distribution system	19,534	22,534	19,534	22,534
Tactical surveillance system—adv dev	16,828	4,028	16,828	16,828
Forward area air defense (FAAD) system	97,387	97,387	107,387	107,387
Night vision systems advanced development	6,067	4,867	6,067	5,467
Aviation—adv dev	13,828	14,928	13,828	14,928
Combat service support computer system evaluation and	24,635	28,635	24,635	28,635
Armed, deployable 06–58D	18,671	.....	18,671	9,336
Light armed scout helicopter	507,754	507,754	499,754	499,754
Joint tactidal fusion program	130,775	109,269	115,275	115,275
Medium tactical vehicles	11,879	20,979	23,479	23,479
Advanced anti-tank weapon system—eng dev	120,412	120,412	49,512	120,412
Heavy Tactical vehicles	5,488	.....	5,488	5,488
Armored systems modernization (ASM)—eng. dev	43,109	.....	43,109	43,109
Combat feeding, clothing, and equipment	9,955	19,955	27,956	27,956
Non-system training devices—eng dev	51,266	37,900	61,266	61,266
Tactical surveillance system—eng dev	21,590	10,190	21,590	21,590
Automatic test equipment development	11,232	18,232	11,232	18,232
Tractor jewel	104,372	.....	104,372	104,372
Tractor helm	66,973	101,973	112,573	103,373

[In thousand of dollars]

	Budget	House	Senate	Conference
Joint surveillance/target attack radar system	48,721	48,721	73,721	68,721
Aviation—eng dev	12,517	14,017	12,517	14,017
Logistics and engineer equipment—eng dev	27,607	27,607	27,607	24,133
Classified program	46,699	46,699	42,699	46,699
Longbow—eng dev	233,201	244,201	233,201	254,201
Losat	152,255	83,955	152,255	.....
Combat vehicle improvement programs	29,713	71,013	29,713	71,013
Manueuver control system	31,439	36,439	31,439	36,439
Missile/air defense product improvement program	53,042	53,042	58,042	58,042
Other missile product improvement programs	106,638	62,638	106,638	72,638
Classified programs	206,307	196,047	167,897	259,844
Unicharge propellant	.....	.....	.....	8,000
Command and control vehicle	.....	.....	.....	15,000
Classified programs	7,269	−1,691	11,859	3,309
Rand Arroyo Center	19,974	22,850	19,974	19,974
Army Kwajalein Atoll	181,464	181,464	180,964	180,964
Army test ranges and facilities	174,584,	171,584	174,584	174,584
Army technical test instrumentation and targets	103,739	88,939	90,028	88,939
Army user test instrumentation and threat simulators	45,834	45,834	35,434	45,834
Technology and vulnerability assessment	43,127	48,127	43,127	48,127
International cooperative research and development	1,962	1,962	1,506	1,506
Technical information activities	12,757	8,657	12,757	10,000
Munitions standardization, effectiveness and safety	16,293	11,293	16,293	13,000
Environmental compliance—prog 6	52,474	62,474	52,474	52,474
Industrial preparedness	21,058	28,058	.....	28,058
Contractor travel	.....	.....	−15,897	−10,000
DBOF technical correction: DTIC	.....	.....	7,300	7,300
DBOF technical correction: IACS	.....	.....	3,200	3,200
University research reforms	.....	.....	.....	−3,242

SIMULATION FACILITY

The conferees are aware of a major Army initiative to support defense modeling and simulation. The conferees have created a new program line and provided an additional $8,000,000 for distributed interactive simulation technology in support of future weapon systems and upgrades. This initiative will support modeling and prototyping in real time, soldier-in-the-loop, virtual reality battlefield simulation. The conferees direct that the Army should not go forward with the initiative until it has provided the Appropriations Committees with a plan for the use of the facility, including plans for lease charges. Additionally, the conferees request the Army to conduct a lease versus purchase analysis on this facility.

TYPE CLASSIFICATION OF THE XM927

The conferees are aware that the XM927 rocket assist 105mm projectile offers range increases for all M101 and M102 105mm howitzers employed by U.S. active, reserve, and National Guard forces as well as allied forces. Type classification of this round provides a clear, low-cost product improvement for an improved capability round for current forces.

The XM927 has finished development except for type classification testing. The conferees agree that such testing should be completed and the round type classified.

The conferees, by this action, do not commit to the production or deployment of this round to U.S. forces. Furthermore, if the Army elects to procure this round, it must first present to Congress a funded program and a strong justification.

BALLISTICS TECHNOLOGY

The conferees agree to provide a total of $62,977,000 for Ballistics Technology, an increase of $9,000,000 over the budget request. This funding level represents a reduction of $7,510,000 for the Vehicle Survivability Program (VSP), terminating the program, and an increase of $16,510,000 for the Army's contribution to the Joint Armor/Anti-Armor Program. The conferees agree that the Army's VSP plan is not the most feasible and cost effective way to increase survivability of armored systems and direct that no fiscal year 1992 funds be applied to this project. DD Form 1414 for the fiscal year 1992 RDT&E, Army appropriation shall show VSP as a terminated program.

ENVIRONMENTAL QUALITY TECHNOLOGY

The conferees agree to provide a total of $29,734,000, for Environmental Quality Technology, an increase of $10,750,000 over the budget request. Of these funds: (1) $5,000,000 is only for the United States Army Toxic and Hazardous Materials Agency for the project identified in the House report. The Agency is directed to coordinate its efforts with the Army Materiel Command, which is executive agent for the National Defense Center for Environmental Excellence; (2) $5,300,000 is only for the Army's Natick Research, Development, and Engineering Center to work closely with members of academia, government, and private industry on the commercialization of biodegradable plastic for food and other packaging; (3) $450,000 is only for safety and environmental studies of the White Sands Missile Range to determine the feasibility of using the Range as a possible landing site for the recovery of unmanned life sciences capsules for NASA. DD Form 1414 for the fiscal year 1992 RDT&E, Army appropriation shall show these earmarks as special interest items, a decrease to which requires prior approval.

WEAPONS AND MUNITIONS ADVANCED TECHNOLOGY

The conferees agree to provide $55,865,000, for Weapons and Munitions Advanced Technology, an increase of $15,000,000 over the budget request. The additional funds are to be used only for hypervelocity physics research and development in support of electric gun development. DD Form 1414 for the fiscal year 1992 RDT&E, Army appropriation shall show this program as a special interest item, a decrease to which requires prior approval from Congress.

LANDMINE WARFARE AND BARRIER ADVANCED TECHNOLOGY

The conferees agree to provide $26,728,000 for Landmine Warfare and Barrier Advanced Technology, an increase of $18,000,000 over the budget request. Of the funds provided: (1) $8,000,000 is only for the development of a Heavy Assault Bridge which the conferees direct have open competition, including companies which have not received government furnished equipment; and, (2) $8,000,000 is for Mine/Countermine development in the field of long-pulse microwave technology. The conferees agree that this technology may prove to have significant operational, logistical, and cost advantages over other technologies.

MEDIUM TACTICAL VEHICLE/"CAB OVER" HMMWV

The conferees agree to provide $23,479,000 for Medium Tactical Vehicles program, an increase of $11,600,000 over the budget request. The increase is for the evaluation of the "cab over engine" variant of the High Mobility Multipurpose Wheeled Vehicle (HMMWV). The conferees agree that this evaluation entails no commitment to procure this vehicle. Furthermore, if the Army elects to procure this variant, it must first present to Congress the results of the evaluation, a funded program, and a strong justification. Such procurement would be made only with prior congressional approval and only as a replacement for other HMMWV variants. The "cab over" HMMWV shall not be considered to be a competitor to or replacement for either the Family of Medium Tactical Vehicles (FMTV) or the Army's truck Service Life Extension Program (SLEP).

ARMORED SYSTEMS MODERNIZATION-ENGINEERING DEVELOPMENT

The conferees agree to provide the budget request for the Armored Gun System. However, since the Army has not yet chosen its winning AGS design and therefore cannot tell the Congress what exactly it will do with the 1992 funds, the conferees direct the Army to inform the House and Senate Appropriations Committees on its choice before announcing the contract award. The conferees further agree that the Army is not mandated to choose the LAV-105 turret, but agree that the Army should use the EX-35 gun on the winning AGS design to leverage the investment made thus far on that cannon.

COMBAT FEEDING, CLOTHING, AND EQUIPMENT

The conferees agree to provide $27,956,000 for the Combat Feeding, Clothing, and Equipment Program, an increase of $18,000,000 over the budget request for the Soldier Enhancement Program. The conferees agree that with 1991 and 1992 funds, the Army shall purchase a total of 750 "softmounts" from existing U.S. small businesses for testing on MK19 and .50 caliber machine guns. The Army should report to the House and Senate Appropriations Committees on the procurement and testing plan for this research no later than March 1, 1992.

ARMORED SYSTEMS MODERNIZATION (ASM)

The conferees agree that changes in the Soviet Union and Eastern Europe, and the lessons learned in Operation Desert Storm have necessitated adjustments to the Army's plan to modernize its heavy forces. It is also obvious that the threat of advances in Soviet tank technology is not as significant today due to financial constraints in the Soviet economy.

What is necessary now for the United States is the modernization of existing armor systems rather than the development of new systems. The conferees agree that the fielding of a Block III tank in this decade is no longer a necessary and relevant part of the Army's research and development effort.

While it is uncertain which technologies are required for future armor systems upgrades, it is clear that the development of a "common chassis" for a number of future systems is not needed in this fiscal year. Therefore, the conferees have provided $300,988,000, a reduction of $99,820,000 from the budget request, for the continued development of technologies associated with future systems. It is not the intent of the conferees to cause the Army to terminate the current ASM contracts and lose the substantial investment made to date on these technologies. However, the Army may wish to restructure the program to accommodate changes in threat and funding.

The conferees direct that within the funds identified for this program, $85,568,000 is intended only for the Advanced Field Artillery System (AFAS). Additionally, none of the funds may be used for the further development of the Block III tank.

The conferees direct that not more than $100,000,000 of these funds shall be obligated until the Army has provided to the House and Senate Appropriations and Armed Services Committees a detailed description of the planned restructured program to include all program costs, schedule, and milestones approved by the Office of the Secretary of Defense.

Finally, the conferees request the President to submit to the Congress a National Intelligence Estimate of potential adversarial armored and anti-armor systems and capabilities.

ADVANCED TANK CANNON SYSTEM

The conferees agree to provide $40,000,000 for the continued development of the Advanced Tank Cannon System (ATCS) in a new line established specifically for this effort. It is the intent of the conferees that this program be continued as a technology development effort. The conferees direct the current program office to continue management oversight on this program.

UNICHARGE PROPELLANT

The conferees agree to provide $8,000,000 for the continued development of unicharge propellant in a new line established specifically for this effort. It is the intent of the conferees that the Army budget for the research and development and type classification of unicharge propellant for use with currently fielded howitzers. The conferees direct the AFAS Program Manager to continue to exercise oversight on this project.

COMMAND AND CONTROL VEHICLE

The conferees agree to provide $15,000,000 for the development and deployment of a command and control vehicle as proposed by the Senate in a new line established specifically for this effort. The conferees direct that not more than $5,000,000 may be obligated for this program until the Army provides the Appropriations Committees a development and deployment schedule, including milestones and funding. Additionally, the conferees direct that the ASM program office provide management oversight and conduct the required market surveys.

OTHER MISSILE PRODUCT IMPROVEMENT PROGRAMS

The conferees agree to provide $72,638,000 for the Other Missile Product Improvement Program, a net reduction of $34,000,000 from the budget request. The conferees agree to terminate the TOW Sight Improvement Program (TSIP), for a savings of $44,000,000 and initiate a new $10,000,000 program for MLRS extended range rockets (ERR).

The conferees direct that the funds associated with the MLRS-ERR program may not be obligated or expended until the Army provides to the House and Senate Appropriations Committees, an acquisition and funding plan for the project. The conferees direct the Army to comply with the House requirement for basic research on an alternative TOW-2 warhead. DD Form 1414 for the fiscal year 1992 RDT&E, Army appropriation shall show the TOW-2 project as a special interest item, a decrease to which requires prior approval from Congress. Additionally, the TSIP funds are specifically denied and should be so designated on DD Form 1414.

INDUSTRIAL PREPAREDNESS

The conferees agree to provide $28,058,000 for the Industrial Preparedness program, an increase of $7,000,000 over the budget request. Of the total appropriated, $5,000,000 is only for support of the National Defense Center for Environmental Excellence (NDCEE), $5,000,000 is only for continued exploration of uses for American ductile iron in defense-related applications, $3,500,000 is only for more durable T-150 and T-154 track bodies using austempered ductile iron, and $2,500,000 is only for investigation, evaluation, and development of cast ductile iron bullets using integral or cast-on rotating bands for explosively loaded, sabot, and training rounds. The conferees further agree with the Senate earmark of the amount in the budget request only for continuing an effort to enhance U.S. manufacturing base capabilities to produce precision optics for sights and visual equipment. DD Form 1414 for the fiscal year 1992 RDT&E, Army appropriation shall show these projects as special interest items, a decrease to which requires prior Congressional approval.

SURFACE-TO-SURFACE MISSILE ROCKET SYSTEMS

The House included language directing that $10,000,000 of the funds appropriated for the MLRS-TGW program be withheld until certification that the design phase was complete and that the technical data package was available. The Senate did not address this issue. The conferees agree to remove the House requirement to withhold $10,000,000. However, the conferees agree that this is the last year in which the Army should request funds for the MLRS-TGW.

LIGHT SCOUT HELICOPTER-RAH-66 COMANCHE

The House included language directing that $5,000,000 be used to review the technologies of the losing vendor. The Senate did not address this issue. The conferees encourage the Army to review the technologies of the losing vendor for use on the Comanche, but agree to remove the House requirement that $5,000,000 be used in this effort.

APACHE LONGBOW

The House included an additional $11,000,000 for the implementation of a plan to "skip" the AH-64B model and move on to a AH-64B+ configuration. The Senate stated that an AH-64 upgrade program should be considered for inclusion in the fiscal year 1993-98 budget and directed the Army to reevaluate its funding priorities on this program.

The conferees agree to provide an additional $21,000,000 for a program to upgrade the AH-64 to a "C" configuration (Apache Longbow, minus the T-800 engine and the mast mounted radar). However, none of these funds may be obligated until the Secretary of Defense submits to the House and Senate Appropriations Committees an AH-64 modification master plan and schedule, budget, and certifies that this program is fully funded in RDT&E and procurement in the fiscal year 1993-1998 Future Year Defense Program (FYDP).

KWAJALEIN ATOLL

The Senate included language which provides $1,500,000 only for the completion of a formal environmental impact statement for the strategic target system program. The House agrees with the Senate language.

NONSYSTEM TRAINING DEVICES

The conferees agree to provide $61,266,000 for the Nonsystem Training Devices program, an increase of $10,000,000 above the budget request.

The conferees agree with the Senate language directing the Assistant Secretary of the Army for Research, Development, and Acquisition to certify that the close combat tactical trainer (CCTT) system is fully funded in fiscal years 1993-98. The conferees also agree that no funds may be obligated for the deployment of Quick Start assets until all system software development is concluded and technical and operational testing has been successfully completed. The conferees direct the Assistant Secretary to certify that all funding necessary for full deployment to the Reserve component forces, as well as the Active, are fully funded in Future Years Defense Program (FYDP). Finally, the conferees agree that all out-year budgets will maintain an annual two-thirds Active and one-third Reserve component deployment ratio for CCTT until the Reserve component requirements are met.

LOGISTICS AND ENGINEER EQUIPMENT-ENGINEERING DEVELOPMENT

The Senate included language directing the Army to accelerate the LAMP-H program. The House did not address this issue. The conferees direct that $8,000,000 of the funds provided for Logistics Engineering Equipment-Engineering Development, project D461, shall only be used to support the Army's efforts to identify a near term, affordable alternative solution to the LAMP-H to provide logistics-over-the-shore capability for U.S. force wherever they may be deployed. The conferees note that the Army has thoroughly studied this issue over the past decade and direct the Army not to initiate further studies. The conferees direct that alternatives shall include but not be limited to air cushioned vehicles and the modification of existing air cushion assets to substantially satisfy the logistics-over-the-shore requirements. DD Form 1414 for the fiscal year 1992 RDT&E, Army appropriation shall show this $8,000,000 project as a special interest item, a decrease to which requires prior approval from Congress.

HELLFIRE TRAINING MISSILES

The extensive use of Hellfire missiles during operation Desert Storm has reinforced the need for cost-effective, operationally-oriented aircrew training in the delivery of Hellfire missiles. It is recognized that live-fire training is the most effective means of achieving and maintaining proficiency, yet such training has proven impractical in terms of affordability and operational constraints. Both the Army and Marine Corps are exploring a low-cost, live-fire training option to meet this training demand, involving modification of the Navy's laser-guided training round to a Hellfire laser-guided training missile. The conferees direct that $3,000,000 from the Other Missile Improvement Program be provided for this effort and direct that these funds be used for the modification effort and the demonstration flight testing. DD Form 1414 for the fiscal year 1992 RDT&E, Army appropriation shall show this project as a special interest item, a decrease to which requires prior approval from Congress.

HARPY

The conferees are aware of a proposal for the Army to consider testing the ground-launched Harpy antiradar drone. The conferees urge the Army to consider acquiring such drones for actual hands-on test and hardware demonstration in the United States of the Harpy system. The conferees also direct the Army to assess the Harpy system and other viable alternatives for meeting justified Army requirements. This assessment should include the comparison described in the Senate report.

ARMY USER TEST INSTRUMENTATION AND THREAT SIMULATORS

The conferees agree to provide $45,834,000 for this program element including the requested level of funding for the Mobile auto-

mated Instrumentation System (MAIS). The conferees agree to moderate the Senate position by directing that the Army only develop the capability to reformat the data generated by MAIS into the protocol data unit (PDU) format so MAIS data can be used in existing and future simulation tools relying on this data format. The conferees encourage the Army to continue studying a phased implementation of the standard simulation data format being developed by DARPA so MAIS will be compatible with future test, evaluation, training, and simulation systems.

EW DEVELOPMENT

The conferees agree to provide an amount addressed in the classified letter accompanying this report for Electronic Warfare Development. Of these funds, $7,000,000 is only for a new program AD/EXJAM and $20,150,000 is only for the Stingray program. The reductions are as follows: $4,600,000 for Aircraft Survivability Equipment, $2,000,000 for Optical Countermeasures because it duplicates work ongoing in DARPA, and $4,910,000 for poor obligation and expenditure of funds. Additionally, the conferees direct the IEW Ground Stations be funded at the requested level. DD Form 1414 for the fiscal year 1992 RDT&E, Army appropriation shall show these projects as special interest items, a decrease to which requires prior Congressional approval.

The conferees direct that funds for Stingray may not be obligated or expended until the Secretary of Defense certifies that the program is fully funded in both RDT&E and procurement in the fiscal year 1993–98 Future Year Defense Program (FYDP). The conferees also agree with the Senate's language directing the Army to participate in a joint optical countermeasures program under the direction of DARPA beginning in fiscal year 1993.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY

Amendment No. 88: Appropriated $8,557,635,000 for Research, Development, Test and Evaluation, Navy instead of $7,464,910,000 as proposed by the House and $7,666,142,000 as proposed by the Senate.

Amendment No. 89: Restores language proposed by the House and stricken by the Senate which provides $1,000,000 as a grant for the National Center for Physical Acoustics, deletes House provision on the P-3 aircraft, and restores language proposed by the House and stricken by the Senate on SURTASS.

Amendment No. 90: Inserts Senate language providing $10,000,000 for the Submarine Laser Communications project. The conferees agree to provide $10,000,000 for this project but direct that these funds may not be obligated or expended until the Secretary of the Navy certifies that this project is fully funded in RDT&E and procurement in the fiscal years 1993–1998 Future Year Defense Plan and provides the information as mandated in the Senate report. In addition, the conferees agree that the Navy should, to the maximum extent possible, continue to build upon the work already accomplished by DARPA under existing contracts.

Amendment No. 91: Includes Senate provision on the Advanced Gun Weapon System.

The conference agreement on items addressed by either the House or Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
Research development test and eval Navy:				
In-house independent laboratory research	25,868	10,000	17,500	14,000
Defense research sciences	395,767	392,767	380,382	392,767
Other tech base university grants			9,779	
Anti-air warfare anti-surface warefare technology	70,517	50,000	68,281	68,281
Aircraft technology	23,776	15,000	23,776	19,000
Command, control, and communications technology	19,617	10,000	19,617	15,000
Mission support technology	37,017	20,000	37,017	30,000
System support technology	80,521	57,000	80,521	79,000
Electronic warfare technology	13,975	10,000	13,975	13,975
ASW technology	130,902	130,902	129,257	130,902
Nuclear propulsion	15,282	12,000	15,282	12,000
Ocean and atmospheric support technology	39,724	44,724	39,724	44,724
Independent exploratory development	15,803		15,803	7,000
EW technology	4,916		4,916	4,916
Electromagnetic radiation source elimination technolog	5,091	3,000		3,000
Ship propulsion system	4,536		4,536	4,536
Marine Corps advanced technology demonstation (ATD)	32,815	35,815	15,987	22,487
Manpower and personnel system	3,245	1,000	3,245	1,000
Generic logistics R&D technology demonstrations	13,829	21,329	13,829	14,429
Education and training	6,106	2,000	6,106	4,106
Simulation and training devices	5,177	3,000	5,177	5,177
Advanced anti-submarine warfare technology	42,939	16,000	42,939	42,939
Advanced technology transition	65,153	65,153	55,682	62,382
C3 advanced technology	1,373		1,373	16,373
Tactical space operations	4,181	1,608	4,181	4,181
SSBN survivability	17,570	8,000	17,570	17,570
WWMCCS architecture support	997		997	997
Trident II	61,603	76,603	18,303	53,603
Strategic technical support	7,422	4,000	7,422	7,422
Fleet ballistic missile system	14,812	14,812	7,812	7,812
SSBN security technology program	53,270	44,000	53,270	53,270
Submarine acoustic warfare development	37,216	32,000	37,216	37,216
Trident	39,863	25,000	39,863	35,000
Navy strategic communications	29,935	20,000	29,935	29,935
Integrated aircraft avionics	25,158	7,000	25,158	25,158
Air/ocean tactical applications	7,936	7,400	7,936	7,400
T-45 training system	6,477		6,477	6,477
Air crew systems technology	10,386	15,386	10,386	15,386
Navy advanced tactical fighter		50,000		2,000
Tactical airborne reconnaissance	15,574	21,774	15,574	15,574
Aircraft survivability and vulnerability	12,943	8,000	12,943	12,943
Advanced surface-to-air missile	34,760	20,000	34,760	34,760
Low cost anti-radiation seeker		4,000		4,000
Advanced air-to-air missile (AAAM)	89,331		89,331	89,331
Battle group AAW coordination	11,152		11,152	
Advanced submarine ASW development	31,232	36,000	31,232	40,232
Shipboard aviation systems	11,440		11,440	15,840
Shipboard system component development	28,039	10,000	28,039	28,039
Ship combat survivability	25,589	10,000	25,589	25,589
Submarine Arctic warfare support equipment program	5,151	4,000	2,151	2,151
Non-acoustic anti-submarine ware (ASW)	26,197		13,800	
Advanced ASW target	17,102	5,000	17,102	17,102
Surface ASW	67,236	47,000	67,236	67,236
Advanced submarine system development	35,621	25,000	35,621	35,621
Advanced nuclear power systems	89,884	70,000	89,884	80,000
Electric drive	80,906		53,799	40,000
Joint advanced systems	177,170		177,170	177,170
Advanced warhead development	6,640	5,000	6,640	6,640
Marine Corps assault vehicles	79,908	79,908	41,908	41,908
Mine countermeasure initiative fund			20,500	16,800
Tactical nuclear development	6,426		6,426	4,000
Marine Corps ground combat/support system	9,319	23,319	9,319	9,319
MK 48 ADCAP—adv dev	52,627	26,627	14,927	14,927
ASW ocenography	9,894	5,000	9,894	9,894
ASW signal processing	27,812	20,000	27,812	27,812
Advanced marine biological system	1,868	1,868	12,868	4,868
Fleet tactical development and evaluation program	6,144		6,144	6,144
Ocean engineering technology developments	13,546	17,546	15,546	15,546
Command and control systems	8,160		8,160	8,160
Container offloading and transfer system (COTS)	1,003		1,003	
Navy energy program	4,714		4,714	4,714
Facilities improvement	466		466	466
Link Hazel	11,547	1,547	11,547	11,547
Retract Maple	216,173	416,173	250,673	144,173
Ship self defense				221,000
Retract Elm	149,847	109,847	149,847	146,847
Warfare systems architecture and engineering	7,365		7,365	7,365
Anti-submarine warfare environmental acoustic support	18,372	17,500	18,372	17,500
Gun weapon system advanced technology	5,134	5,134		5,134
IFF system development	22,343	32,343	22,343	32,343
Lamps	30,215	34,215	20,290	34,215

[In thousands of dollars]

	Budget	House	Senate	Conference
Air/ocean equipment engineering	2,806		2,806	2,806
Airborne ASW developments	25,843		8,310	19,843
P-3 modernization program	41,144	58,747	51,044	82,644
CH-46E upgrades			50,000	
Acoustic search sensors	51,061	30,061	27,108	27,108
V-22A		625,000	165,000	625,000
V-22 prior year			−165,000	
Air crew systems development	17,318	21,518	17,318	21,518
Aircraft engine component improvement program	58,856	40,000	58,856	50,000
EW development	142,283	80,000	110,140	110,140
MK 92 fire control system upgrade	2,012		2,012	2,012
Aegis combat system engineering	92,153	92,153	91,465	91,465
Sea Lance		20,000		
Advanced medium range air-to-air missile	2,693	12,693	2,693	2,693
Vertical launch Asroc	36,933	36,933		
ASW standoff weapon			20,000	
Close-in weapon system (Phalanx)	10,597	10,597	9,297	9,297
Standard missile improvements	36,821	20,000	36,821	36,821
Tomahawk	28,815	32,815	28,815	32,815
5" rolling air frame missile		5,000		5,000
New threat upgrade	9,977		9,977	9,977
Submarine sonar development	41,494	25,000	39,494	39,494
Air control	10,562	10,562	6,959	6,959
Navy standard signal processors	9,266	9,266		20,366
Submarine support equipment program	18,901		18,901	18,901
Ship survivability	5,048		5,048	5,048
Combat information center conversion	19,133		16,133	9,000
Submarine combat system	270,272	220,272	242,972	267,272
Deep submergence technology	27,284		23,434	23,434
SSN-21 developments	157,441	127,441	157,441	15,441
Centurion			50,000	23,000
Ship contract design/development (eng)	32,827	17,027	22,200	22,200
Naval gunnery improvements	4,513		4,513	4,513
Unguided conventional air-launched weapons	8,389	2,400	8,389	10,789
Bomb fuze improvement	24,533	24,533		15,533
Marine Corps assault vehicles—eng dev	19,104	23,004	19,104	19,104
Anti-submarine warfare oceanographic equipment	1,260		1,260	1,260
Navy energy program	3,389	1,000	3,389	3,389
Surface ASW system improvement	121,724	63,724	63,024	59,124
Surface warfare training devices	10,711		10,711	10,711
Joint standoff weapon systems	53,447		53,447	53,447
Fixed distributed system—eng	229,154	189,154	243,223	238,223
C2 surveillance/reconnaissance support	15,769	10,769	15,769	14,000
F/A-18 squadrons	452,077	472,077	319,077	420,000
Early warning aircraft squadrons	6,349		6,349	6,349
Fleet telecommunications (tactical)	18,682	8,682	18,682	18,682

[In thousands of dollars]

	Budget	House	Senate	Conference
Surface combatant ordnance and missiles	28,428	20,428	27,228	28,428
Undersea surveillance systems	72,594	42,594	68,894	72,594
Ship-towed array surveillance systems	17,622	6,622	27,622	23,622
Special projects	18,377	18,377	14,477	14,477
ASW combat systems integration	19,367	15,367	19,367	19,367
F-14 upgrade	116,281	136,281	116,281	116,281
Operational reactor development	58,593	40,593	58,593	58,593
Marine Corps ground combat/supporting arms systems	20,489	24,889	27,789	27,789
Marine Corps intelligence/electronics warfare systems	28,305	55,405	28,305	28,305
Improved tactical air launched decoy				17,000
Marine enhancement program			12,000	12,000
Multi-sensor integration/QRCC			23,000	
Classified programs	678,821	692,636	683,621	695,636
Laser communications			10,000	10,000
Range instrumentation systems development (RISD)	9,836		9,836	9,836
Electronic warfare simulator development	31,304	15,304	26,204	21,000
Target systems development	99,537	27,537	61,268	27,537
Personnel, training, simulation, and human factors	1,794		1,794	1,794
Studies and analysis support—Navy	6,297		6,297	6,297
Marine Corps operations analysis group, CNA	4,157	4,549	4,157	4,157
Center for Naval analyses	24,321	26,196	24,321	24,321
Fleet tactical development and evaluation	12,721		12,721	12,721
Technical information services	2,741		2,741	2,741
Management and technical support	12,286		12,286	12,286
International RDT&E	3,210		2,210	1,500
RDT&E laboratory and facilities management support	58,343	40,000	58,343	55,000
RDT&E instrumentation and materiel support	18,123	10,123	18,123	17,000
RDT&E ship and aircraft support	86,341	91,000	101,341	96,000
Test and evaluation support	342,091	280,000	342,091	328,000
Operational test and evaluation capability	8,038	6,538	8,038	8,038
Laboratory fleet support	6,512		6,512	5,000
Industrial preparedness	25,302	100,002	5,000	74,407
Contractor travel			−20,899	−15,000
DBOF adjustment		−59,200	−19,600	−19,600
DBOF technical correction: DTIC			6,100	6,100
DBOF technical correction: IACS			2,700	2,700
Historical deobligations		−60,000		
University research reforms				−11,242

NOMENCLATURE OF NAVY PROGRAMS

Navy program elements used to justify RDT&E budgets to Congress are not sufficiently descriptive. Major programs such as the Advanced Interdiction Weapons System, Advanced Rocket System, Advanced Bomb Family, SQY-1 shipboard electronics suite, Magic Lantern, Standard Missile, MK-30 target, MK-50 torpedo, Advanced Low Frequency Sonar, Tomahawk, Enhanced Modular Signal Processor, E-2 aircraft improvements, and Supersonic Low Altitude Target are not readily apparent. The conferees direct the Comptroller of the Navy to rectify this problem in the fiscal year 1993 budget. The Navy should also consider reducing the number of its program elements through consolidation, in consultation with the Defense Committees of Congress.

SYSTEMS SUPPORT TECHNOLOGY

The conferees agree to provide $79,000,000, of which $17,800,000 is only for RF vacuum tube electronic technology. DD Form 1414 shall show the latter as an item of special interest, a decrease to which requires prior approval from Congress.

OCEAN AND ATMOSPHERIC TECHNOLOGY

The conferees agree to provide $44,724,000 as recommended by the House, an increase of $5,000,000 only to enhance Navy tactical oceanography programs at Scripps Institute of Oceanography, Woods Hole Institution, the University of Washington, and other institutions as recommended by the House Armed Services Committee. The University of Hawaii shall be considered as an equal with the other intended recipient institutions for these additional funds.

ASW TECHNOLOGY

The conferees agree to provide $130,902,000. Within that amount, $2,000,000 is only for continued development of the tactical Surveillance Sonobouy trigger algorithms. The conferees direct the Navy to submit to the Committees on Appropriations by February 1, 1992 a plan for exploiting this technology in ongoing sonobuoy programs and in other ASW research and development programs.

C3 ADVANCED TECHNOLOGY

The conferees agree to provide $16,373,000. The Navy has initiated a low-cost Naval Tactical Data system command and control workstation under the Range NTDS Display Emulation System (RNDES) program. Within this amount, $15,000,000 is available only to apply to the RNDES program to adapt, integrate, and install a complete ship-set, comprised of the RNDES display suite and a modified advanced video processor, to be evaluated for all shipboard C3I applications. This is to be accomplished under the direction of the Director, Space and Electronic Warfare. DD Form 1414 shall show this item to be of special interest, a decrease to which requires prior Congressional approval.

ELECTROMAGNETIC RADIATION SOURCE ELIMINATION TECHNOLOGY

The conferees agree to provide $3,000,000 as recommended by the House, which may not be used to prototype a missile.

MARINE CORPS ADVANCED TECHNOLOGY DEMONSTRATION

The conferees agree to provide $22,487,000. Within this amount, $1,500,000 is only for continued participation in the DOD Armor/Anti-Armor program and $5,000,000 is only to accelerate Marine Corps efforts to adapt the Magic Lantern mine warfare system to better meet Marine Corps requirements. The conferees agree with the Senate recommendation to defer the long-term joint

countermine program in favor of developing the near-term Magic Lantern system. The conferees direct that the Magic Lantern system should be enhanced to better meet both Navy and Marine Corps requirements, and that the Marine Corps utilize a classified concept for which funds were appropriated in fiscal year 1991.

SEA LAUNCH AND RECOVERY (SEALAR)

The conferees believe that a SEALER launch vehicle may have the potential to reduce space launch costs, but agree with the concerns raised by the Senate. The clear intent of the legislation authorizing U.S. government organizations to enter into Cooperative Research and Development Agreement (CRDAs) is to promote expeditious technology transfer from the federal government to other government entities as well as commercial ventures. However, it is not the intent of the legislation to permit middle level department officials to commit an entire department to a program which could have significant policy, program, and budget implications without proper oversight by senior policy officials or the Congress. Therefore, the conferees agree with the Senate recommendation for Office of the Secretary of Defense review and decision about SEALAR and the proposed CRDA. The conferees further direct that OSD submit by January 30, 1992, the report requested by the Senate. The conferees also direct that any SEALAR CRDA contain the clear stipulation that any such agreement does not require or imply that at any point: (a) the U.S. government will use SEALAR during or after the completion of its development; (b) appropriated funds will be available to support the project directly or indirectly; or (c) U.S. government facilities will be available for use by commercial firms after completion of the development effort. Should the development effort be successful, this guidance does not preclude the Department from considering the purchase of launch services from SEALAR to the extent that there is a requirement for such services, that it could be provided on a cost competitive basis, and that the necessary Congressional authorization and appropriation are provided.

GENERIC LOGISTICS R&D TECHNOLOGY DEMONSTRATIONS

The conferees agree to provide $14,429,000. Within this amount, $5,000,000 is only for establishment of product data exchange standards as described in the House report. In addition, a reduction of $4,400,000 related to Computer Aided Logistics (CALS) has been made as explained elsewhere in this report.

ADVANCED TECHNOLOGY TRANSITION

The conferees agree to provide $62,382,000, a reduction of $2,771,000 due to budget execution as explained in the Senate report. The conferees did not agree to the other Senate recommended reduction. The Secretary of the Navy shall certify that the multi-mission propulsion project does not duplicate any existing research and development project in the Defense Department before these funds are obligated.

TRIDENT II

The conferees agree to provide $53,603,000, a reduction of $23,000,000 with prejudice to the SLBM effectiveness enhancement project. None of the funds in this or any other program element in the Defense Department are available for work on or studies of an earth penetrating warhead. In addition, the conferees direct that not less than $4,500,000, the budgeted amount, be made available for the gravity sensor system program.

NAVY ADVANCED TACTICAL FIGHTER

The conferees agree to provide $2,000,000 only for the purpose of maintaining a Navy presence in the Air Force program. The conferees believe that the Office of the Secretary of Defense should take a proactive role in assuring that ATF technology is utilized in a broad manner, particularly in the area of future avionics upgrades to current tactical fighters of both the Navy and Air Force. The Navy should also not be allowed to pursue development of a new air superiority fighter, but rather should be postured to use a derivative of the Air Force ATF, should such a requirement emerge in the future. Cooperative air programs have the potential to yield large cost savings, and the conferees believe that the Navy and Air Force should cooperate on future developments. With these funds, the Navy is directed to continue its liaison function to the ATF program so that opportunities to capitalize on ATF technologies can be identified. It is also important to ensure Navy environmental requirements and specifications are identified to the ATF contractor team as aircraft specifications are developed. The conferees further believe a Navy studies portion of the ATF contract should focus on three primary efforts and have provided funds for this purpose: (1) the ATF avionics suite should be developed to every extent possible to allow future Navy use; (2) the ATF engine should also be developed so that future Navy use is possible; and (3) Navy requirements should be incorporated in the characterization and development of ATF materials. The Navy liaison effort will ensure coordination with the ATF program on these matters as well as seeking other opportunities for cooperation on tactical aircraft programs. DD Form 1414 shall show these funds to be an item of special interest, a decrease to which requires prior approval from Congress.

ADVANCED SUBMARINE ASW DEVELOPMENT

The conferees agree to provide $40,232,000, an increase of $9,000,000 only for the competitive development of the torpedo defense Detection, Classification, Localization Acoustic Signal Processor (DCLASP) as described in the House report.

SHIPBOARD AVIATION SYSTEMS

The conferees agree to provide $15,840,000. Within this amount, $6,000,000 is only to begin a competitive advanced development of the Electromagnetic Aircraft Launch System (EMALS). The conferees direct the Navy to develop a program which can be ready for installation of EMALS on the next new carrier (CVN-76), to include sufficient funds in future budgets to Congress to meet this objective, and to provide a report March 1, 1992 to the Committees on Appropriations outlining in detail the Navy's program plan. The program should proceed expeditiously as long as the technology works and meets cost objectives, and the contractors perform. DD Form 1414 shall show these funds to be an item of special interest, a decrease to which requires prior approval from Congress.

MK-48 ADCAP—ADVANCED DEVELOPMENT

The conferees agree to provide a $14,927,000 as recommended by the Senate. The conferees are advised that the Navy has decided to conclude the closed cycle ADCAP propulsion system demonstration and validation contract with in-water tests, while cancelling plans to proceed into engineering and manufacturing development. In lieu of this program, the Navy is now considering steps to address its needs, while assessing a number of technologies, including stored chemical energy propulsion, to determined which ultimately should be pursued. The conferees direct the Navy to submit to the Committees on Appropriations a detailed plan no later than March 1, 1992 for both the near and long term efforts to reduce MK-48 torpedo noise levels. The long term plan should assess cost, performance, and growth potential for each of the examined technologies and identify any funding required for those purposes.

ADVANCED MARINE BIOLOGICAL SYSTEM

The conferees agree to provide $4,868,000 for continuation of the marine mammal program. The conferees provide no less than $500,000 only to develop training procedures which will allow mammals which are no longer required for this project to be released back into their natural habitat. The conferees prohibit the release of these mammals to any alternative captive environment. The conferees further direct the Navy to budget in future years the funds necessary to adequately care for mammals in the Navy inventory and to adapt the mammals which are no longer required for Navy projects for release into the World's oceans.

SHIP SELF DEFENSE

The conferees agree to provide $221,000,000 to augment and consolidate funds which the Navy had proposed in other program elements into a single integrated program only for ship self defense. A classified letter accompanying this statement contains details on this program. The conferees have included bill language stating that these funds are not available unless they are assigned to a single program manager who has full authority and responsibility for their use, which is the Defense Department's stated intent. Funds budgeted for the Battle Group AAW Coordination and recommended by the Senate for Multi-sensor Integration/Quick Reaction Combat Capability have been included here. None of the funds appropriated in this or any other Defense Department program element may be used for Naval antiballistic missile technology studies or development in fiscal year 1992 without prior Congressional approval of a new-start reprogramming request. Such a request, if made, should fully disclose the military requirement, management organization, acquisition strategy, cost, budget, and schedule for a program to develop the capability. DD Form 1414 shall show the ship defense funds in total and each of the projects described in a classified letter accompany this statement to be items of special interest, a decrease to which requires prior approval from Congress. Included in this amount is $5,000,000 for infrared technologies, to include consideration of work on existing systems including SAR-8.

IFF SYSTEM DEVELOPMENT

The conferees agree to provide $10,000,000 as recommended by the House only for development of an identification-of-friend-or-foe system. The Defense Department shall submit a plan to Congress which certifies that a fully funded, joint service use system taking advantage of MK-15 technology is being pursued and which describes the acquisition strategy, cost, budget, schedule, and management organization needed to implement it. DD Form 1414 shall show these funds to be an item of special interest, a decrease to which requires prior approval from Congress. The conferees also agree with the Senate position as expressed in the Air Force RDT&E section of the Senate report.

P-3 MODERNIZATION

The conferees agree to provide $82,644,000. Within this amount, $41,500,000 is only to ini-

tiate a new P-3 program as described in Congressional reports. The conferees did not agree to terminate the Update IV avionics system development as proposed by the Senate. The conferees also did not agree to reduce $23,900,000 as proposed by the House due to excess fiscal year 1991 funds in the P-3 program; the conferees direct instead that the 1991 funds be returned only to the P-3 program as a matter of special Congressional interest. The Navy Comptroller should inform the Appropriations Committees in writing when this has been accomplished. The Secretary of the Navy shall report by March 1, 1992 to the Committees whether the Navy is fully committed to the Update IV program and will fully fund RDT&E and procurement in fiscal years 1993 to 1998.

V-22 OSPREY

The conferees agree to provide $625,000,000 for the V-22 program and have included a general provision (section 8090) which transfers $165,000,000 of prior year Aircraft Procurement, Navy funds to the research and development account. The conferees agree that the V-22 offers an answer to the Marine Corps medium lift requirement and direct the Navy to promptly embark on a Phase II full scale engineering development program to correct identified deficiencies and produce production representative aircraft.

The conferees expect the Navy to embark upon this program as soon as possible and neither the Secretary of Defense nor any of his subordinates may take action which will unnecessarily delay obligation of these funds.

The conferees direct the Navy to report by April 15, 1992 on the use of the ribbonized organized integrated interconnecting system on the V-22.

CENTURION SUBMARINE

The conferees agree to provide $23,000,000 for the Centurion program to develop a new design nuclear attack submarine to succeed the SSN-21 class vessels. Funds are provided only for the following purposes: $15,400,000 for concept design and technology option studies; $3,000,000 for an independent cost and operational effectiveness analysis (COEA); and $4,600,000 to provide additional new designs into the COEA.

UNGUIDED CONVENTIONAL AIR LAUNCHED WEAPONS THE CONFEREES AGREE TO PROVIDE $10,789,000, AN INCREASE OF $2,400,000 ONLY FOR TOW-2A MISSILE IMPROVEMENTS AS RECOMMENDED BY THE HOUSE.

BOMB FUZE IMPROVEMENT

The conferees agree to provide $15,533,000 for the Advanced Bomb Family, a reduction of $9,000,000 associated with the Navy's decision to delay initiation of engineering and manufacturing development from fiscal year 1992 into fiscal year 1993. While allowing the Advanced Bomb Family to proceed, the conferees remain concerned that the Office of the Secretary of defense has allowed the Navy to pursue yet another unique new munition development program. The conferees expect that strong action will be taken to form a joint service use program in the fiscal year 1993 and subsequent budgets to Congress. In addition, the conferees expect the Secretary of the Navy to resolve all of the ABF program uncertainties discussed in the Senate report and to submit with the next budget request a detailed statement explaining this resolution. The conferees also direct that the Secretary of the Navy certify in this statement that the restructured ABF program is fully funded in both RDT&E and procurement in the fiscal year 1993-1998 Future Year Defense Program.

SURFACE ASW SYSTEM IMPROVEMENT

The conferees agree to provide $59,124,000 which includes the House recommended level for SQQ-89 ship improvements and an additional $20,000,000 only to integrate the Enhanced Modular Signal Processor into SQQ-89 basic ships as recommended by the House. Both the House and Senate reduced the fiscal year 1992 budget request for the SQY-1 system but did approve funding for needed upgrades to surface ship antisubmarine warfare capabilities. The conferees understand that upgrades planned for the existing SQQ-89 system are incorporated in the SQY-1 program and therefore direct the Navy to proceed with the key elements of the SQY-1 program needed for upgrades and high priority performance improvements. In addition to the funds provided herein, $80,000,000 in prior year funds remain available for this purpose and $6,000,000 to integrate EMSP into SQQ-89 basic ships; as a matter of special Congressional interest these funds are hereby designated to not be available for any other purpose. None of these prior year funds may be reprogrammed without approval by the Committees on Appropriations. The conferees further direct the Navy to report its plans for this restructured SQY-1 program to the Committees on Appropriations by February 1, 1992.

FIXED DISTRIBUTED SYSTEM

The conferees agree to provide $238,223,000, which includes $20,000,000 only for an increase to the budget for the advanced deployable array project as recommended by the Senate. DD Form 1414 shall show these funds to be an item of special interest, a decrease to which requires prior approval from Congress.

JOINT STANDOFF WEAPON SYSTEMS

The conferees agree to provide $53,447,000 for the Advanced Interdiction Weapon System. While allowing the AIWS to proceed at the budgeted level, the conferees remain concerned that the Office of the Secretary of Defense has allowed the Navy to pursue yet another unique new munition development program. The conferees expect that strong action will be taken to form a joint service use program in the fiscal year 1993 and subsequent budgets to Congress.

F-14

The conferees agree to provide $116,281,000 for continued development of F-14 upgrades. No funds are provided to develop a "Quickstrike" configuration of the aircraft.

IMPROVED TACTICAL AIR LAUNCHED DECOY

The fiscal year 1991 Defense Appropriations conference agreement included a total of $25,000,000 for the Improved Tactical Air Launched Decoy (ITALD) program. Based on information supplied by the Navy at that time, the funds were divided between research, development, test an evaluation ($8,000,000,000) and procurement (17,000,000). However, this year Department of Defense officials determined that funds provided in the Weapons Procurement, Navy account could not properly be used for the ITALD program at this stage of its development. In addition, the DOD estimated that the total development and evaluation cost of ITALD will be approximately $25,000,000. In order to align funding for ITALD more properly, the conferees agree to rescind $17,000,000 appropriated for 1991 ITALD procurement and to provide an additional $17,000,000 in research, development, test and evaluation, Navy 1992/1993 for ITALD development.

TARGET SYSTEMS DEVELOPMENT

The conferees agree to provide $27,537,000 as recommended by the House. Funds for continued development of the Supersonic Low Altitude Target (SLAT) are specifically denied. Within this amount, $2,600,000 is only available to fund the government's liability under the current SLAT contract. The conferees understand that these funds will allow the Navy to acquire a number of SLAT vehicles and conduct flight tests of these vehicles. Furthermore, within the funds provided, the conferees direct that no funds be obligated or expended to develop a full scale aerial target capability outside of the Office of the Secretary of Defense (OSD) mandated tri-service full scale aerial target program.

RDT&E SHIP AND AIRCRAFT SUPPORT

The conferees agree to provide $96,000,000 of which $15,000,000 is only for costs associated with the overhaul of the research ships Knorr and Melville. The conferees acknowledge the Navy's priorities for these funds as follows: first, fund legitimate expenses of Woods Hole subcontractors to complete their work; second, fund legitimate expenses of Woods Hole to correct any deficiencies not resolved by arbitration; and last, to fund remaining scientific equipment upgrades that were deleted from the original plan in order to meet escalating shipyard costs. The Navy is directed to obligate these funds only to cover the increased modification costs for the Knorr and Melville until the Navy is certain that all obligations under the original contracts were met. The conferees specifically deny the use of these funds to add additional capabilities to these ships where such additions and equipment are beyond the scope of the project as originally planned and presented to Congress.

TEST AND EVALUATION SUPPORT

The conferees agree to provide $328,000,000. The conferees did not agree to the House recommendation to earmark funds specifically for a proposed live-fire test pond at Aberdeen Proving Grounds, leaving the Navy free to fund the project from within available funds.

MOBILE OFFSHORE BASING

The conferees agree to provide $3,000,000 only for in depth evaluation of the Mobile Off Shore Base concept in 1992, to include an evaluation of portable quay-causeway systems, as part of the JCS Mobility Requirements Study.

INDUSTRIAL PREPAREDNESS

The conferees agree to provide $74,407,000. The conferees agree to the projects earmarked in both the House and Senate reports. Within the total provided, $5,000,000 is available only for multi-function self-aligned gate gallium arsenide module manufacturing technology; $5,000,000 is available only for life-cycle by networking critical manufacturing technologies at Pennsylvania State University; and $3,000,000 is available only for an ongoing project to develop manufacturing technologies for fabrication of submarine propulsors, design and manufacturing of lightweight ship structures, and repair of aircraft carrier valves and catapult launch systems. DD Form 1414 shall show the total funding and each of the earmarks as items of special Congressional interest, a decrease to which requires prior approval from Congress. The conferees direct that the fiscal year 1992 level of effort for the National Center for Excellence in Metalworking Technology be continued with the submission of the fiscal year 1993 and future budget requests to Congress.

UNDERWATER MODELLING

The conferees direct the Secretary of the Navy to submit a report to Congress by March 1, 1992 related to its underwater modelling involving explosives within the bound-

aries of designated national marine sanctuaries. Until this report is submitted, the Navy is to minimize its detonation activities in the Florida Keys National Marine Sanctuary to only those requirements which are mission essential. The report of the Secretary is to provide a plan for suspending underwater detonations in the Florida Keys National Marine Sanctuary, to explain whether suspension of detonations is or is not feasible or cost effective within the boundaries of the seven existing marine sanctuaries, and to detail the location of alternative sites. The issues addressed in the report will be addressed in hearings by the Appropriations Committees during review of the fiscal year 1993 budget.

BIODYNAMICS LABORATORY

The conferees concur with House report language regarding the Naval Biodynamics Laboratory (NBDL) and direct that the $2,970,000 in funding requested in fiscal year 1992 for the NBDL under program elements 603216N and 603706N be allocated and fully funded as originally requested.

CONSOLIDATED AUTOMATED WORK STATION

The conferees concur with the Senate language that the Navy should not have begun work on the consolidated automated support system (CASS) missile test station (MTS) initiative without Congressional approval and without proper identification of the activity in the budget justification material. While the conferees have made a reduction to the budget request, the MTS adjunct to CASS has the potential for cost savings both for CASS and the joint missile depot support initiative. Therefore, the conferees direct the Navy to consider submitting a prior approval reprogramming for up to $9,700,000 for MTS development in fiscal year 1992.

CONVENTIONAL MUNITIONS

The conferees agree to provide $43,168,000 for conventional munitions, the amount requested by the Navy. Within that amount, $22,499,000 in project SO363 is only for the development of insensitive munitions. DD Form 1414 shall show this item to be of special interest, a decrease to which requires prior Congressional approval.

LIGHT ARMORED VEHICLE-AIR DEFENSE (LAV-AD)

The conferees agree to provide $27,789,000 for Marine Corps Ground Combat/Supporting Arms Systems which includes a $7,300,000 increase for the LAV-AD. The LAV-AD program recently successfully completed developmental testing and the Marine Corps has informed the conferees that they intend to select a contractor before operational testing begins. Within the increase, $2,100,000 is provided to make the LAV-AD contractor selection and continue operational testing. Additional funds may be used for new night sights and a possible replacement for the hydra-70 rocket on the LAV-AD. The conferees expect that any improvements, such as the hydra rocket replacement, shall be accomplished without imposing any delays in the LAV-AD development program and shall not interrupt the current schedule to begin procurement in fiscal year 1993.

LIGHT ARMORED VEHICLE-105MM (LAV-105)

The amended budget request included $19,100,000 for continuing engineering development of three prototype LAV-105 vehicles. The LAV-105 incorporates a new 105mm gun into a lightweight wheeled armored vehicle with state-of-the-art fire control technology. It will provide a highly mobile direct fire capability for Marine Light Armored Infantry Battalions. The conferees have found Marine testimony over the past several years in support of the LAV-105 to be convincing. It is the intent of the conferees that the research and development program continue. Accordingly, $19,100,000 is appropriated in fiscal year 1992 for the continuation of development. The conferees expect the Secretary of the Navy to continue this development program, and the funds for the LAV-105 development and operational testing be included in the fiscal year 1993 budget submission.

IMPROVED MEDIUM TACTICAL VEHICLE PROGRAM

The Senate included language directing the Marine Corps to provide the Committee on Appropriations and Armed Services, a report outlining the justification and full funding profile for its service life extension program (SLEP). The House did not address this issue. The conferees direct the Marine Corps to cancel all SLEP activities for tactical trucks unless such activities are part of a Congressionally approved DOD-wide SLEP program.

ENHANCED MODULAR SIGNAL PROCESSOR (EMSP)

The conferees agree to restore funds deleted by the Senate for the Enhanced Modular Signal Processor (EMSP) and to increase funds in the Navy Standard Signal Processors program element. In addition, the Navy proposed adjustments to the requested funding in the EMSP program elements as offsets to fund a portion of the EMSP multi-year level of funding in the respective program elements. The conferees have provided this adjusted level of funding in the respective program elements. The conferees have included bill language authorizing the EMSP multi-year procurement program and requiring the use of EMSP in the Surveillance Towed Array Sensor System program. The conferees have provided $91,200,000 in the Other Procurement, Navy appropriation to fund the EMSP multi-year procurement for 150 units contemplated for the ALFS, SURTASS, P-3 Update IV, BSY-2 submarine combat system, and SQQ-89 ASW system.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE

Amendment No. 92: Appropriates $14,0077,834,000 instead of $14,263,941,000 as proposed by the House and $14,123,675,000 as proposed by the Senate.

Amendment No. 93: Restores House language which provides $30,000,000 for the National Center for Manufacturing Sciences; restores House language which provides $2,500,000 for the development of coal based high thermal stability and endothermic jet fuels; restores House language which provides $8,000,000 only for the side-by-side testing of the ALR 56M and the ALR 62I radar warning receivers; amends House language denying the use of funds for the B-1B ALQ-161 CORE program by deleting the requirement for Air Force submission and Congressional approval of a plan for correction of B-1B operational shortfalls; restores House language which provides $5,700,000 for the U.S./U.S.S.R. Joint Seismic Program; includes language which provides $10,000,000 as a grant to an institution which will provide the Air Force additional critical medical research capabilities; includes Senate language which provides $10,000,000 only for the modernization and upgrade of the Poker Flat Rocket Range; and adds language which provides $19,500,000 in the SPACETRACK program element only to establish an image information processing center, co-located with the Air Force Maui Optical Station and the Maui Optical Tracking Facility.

Amendment No. 94: The Senate position is agreed to by the conferees under amendment number 93.

The conference agreement on items addressed by either the House or Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
Research development test & eval				
AF				
In-house laboratory independent research	9,972	7,972	8,283	7,972
Defense research sciences	203,206	209,206	195,307	209,206
Other tech base university grants	—	—	−5,742	—
Geophysics	40,441	38,541	39,052	37,152
Materials	69,235	66,135	68,235	68,235
Aerospace flight dynamics	71,656	68,356	65,055	65,055
Human systems technology	53,673	63,673	53,673	63,673
Aerospace propulsion	69,355	72,355	68,055	71,055
Aerospace avionics	83,086	73,086	80,290	80,290
Personnel, training and simulation	30,953	30,953	30,053	30,053
Civil engineering and environmental quality	6,744	16,744	6,744	6,744
Rocket propulsion and astronautics technology	47,341	37,341	43,050	33,050
Advanced weapons	38,450	38,450	37,605	37,605
Command control and communications	88,665	88,665	82,206	82,106
Logistics systems technology	14,649	14,649	6,649	6,149
Advanced materials for weapon systems	17,887	15,887	17,887	15,887
Aerospace propulsion subsystems integration	30,295	30,295	28,720	28,720
Advanced avionics for aerospace vehicles	38,001	34,001	38,001	34,001
Aerospace vehicle technology	22,858	22,858	12,058	12,058
Advanced fighter technology integration	24,073	24,073	10,173	10,173
Lincoln laboratory	27,891	27,609	27,891	27,891
Advanced avionics integration	19,530	16,530	19,530	16,530
National aero space plane technology program	231,833	231,833	—	200,000
EW Technology	35,845	33,845	32,693	32,693
Space and missile rocket propulsion	14,866	11,366	14,866	13,500
Advanced strategic missile systems	63,045	60,845	63,045	63,045
Advanced spacecraft technology	17,914	27,914	17,914	27,914
Space systems environmental interactions technology	4,936	14,936	4,936	4,936
Conventional weapons	33,621	30,421	33,621	30,421
Advanced weapons technology	57,152	29,370	57,152	61,552
Civil and environmental engineering technology	12,036	12,036	13,036	13,036
B-1B	3,574	1,574	3,574	1,574
Short range attack missile II (SRAM II)—Eng dev	165,879	165,879	165,879	—
ICBM Modernization	815,909	815,909	605,592	440,789
Small ICBM	(548,838)	(548,838)	(347,647)	(433,800)

[In thousands of dollars]

	Budget	House	Senate	Conference
Rail mobile MX	(260,082)	(260,082)	(250,956)	—
MX reduction (amendment No. 5)	—	—	(−225,000)	—
Advanced Cruise missile	108,698	28,898	108,698	28,898
KC-135 squadrons	14,968	12,968	14,968	12,968
Minuteman squadrons	53,959	46,159	53,959	53,959
War planning automated data processing (ADP)—SAC	5,976	3,976	5,976	3,976
Distant early warning (DEW) radar stations	2,862	2,862	2,223	2,223
Over-the-horizon backscatter radar	7,961	7,961	—	—
Spacetrack	20,124	10,124	22,624	34,624
Follow-on early warning system	82,000	—	82,000	82,000
Advanced warning system	—	82,000	—	—
Classified programs	360,715	441,715	316,715	360,715
Air base operability advanced development	3,375	3,375	—	3,375
Engine model derivative program (EMDP)	1,022	1,022	1,022	4,022
F-117A improvement	—	83,000	—	42,000
Nuclear weapons support	5,841	2,841	5,841	5,841
C-17 program	377,359	376,359	377,359	376,359
EW development	215,221	119,221	197,971	200,071
Hardened target munitions	7,183	17,183	7,183	13,183
Armament/ordnance development	4,812	8,612	4,812	4,812
Aeromedical systems development	6,797	5,197	6,797	6,797
Common support equipment development	12,675	9,675	12,675	12,675
Surface defense suppression	21,464	16,064	21,464	21,464
Computer resources management technology	8,419	17,419	8,419	17,419
Side looking airborne radar	4,166	4,166	—	—
Joint surveillance/target attack radar system (JSTARS)	311,859	306,059	316,859	311,859
F-16 squadrons	174,828	68,828	159,978	159,978
F-15E squadrons	119,795	104,845	119,795	112,795
F-117 RECCE Mods	—	—	15,000	—
Tactical aim missiles	26,358	—	13,558	—
Advanced medium range air-to-air missile (AMRAAM)	30,582	27,882	30,582	30,582
TR-1 squadron	54,220	54,220	—	—
Follow-on tactical reconnaissance system	56,553	173,953	56,553	88,553
Tactical air control systems	23,564	15,564	23,564	19,564
Seek eagle	29,010	18,010	21,090	21,090
Mission planning systems	13,433	8,433	13,433	13,433
National airspace system (NAS) plan	4,687	2,687	3,256	3,256
Classified programs	977,309	735,639	1,202,509	1,012,509
Navstar global positioning system (space and control S)	52,005	52,005	70,105	52,005

[In thousands of dollars]

	Budget	House	Senate	Conference
Classified programs	2,333,744	2,221,733	2,175,244	2,324,554
Space test program	53,323	33,323	47,524	47,524
Advanced aerial target development	25,321	22,321	25,321	23,821
Training systems development	51,745	41,745	42,895	42,895
Manpower, personnel and training development	3,554	2,554	3,554	2,554
Advanced launch system	147,744	—	50,000	55,000
R&M maturation/technology insertion	20,999	18,999	—	18,999
Range improvement	76,468	73,068	15,318	66,918
Improved capability for development test & evaluation	56,259	46,159	56,259	46,159
Ranch Hand II epidemiology study	9,710	2,010	9,710	9,710
Development planning	16,081	9,381	9,647	9,647
Real property maintenance—RDT&E	105,123	101,123	105,123	103,123
Satellite control network	120,655	120,655	117,433	117,433
Titan space launch vehicles	143,915	68,915	193,915	145,415
Industrial preparedness	50,535	110,535	—	60,535
Excimer laser	—	30,000	—	15,000
Contractor travel	—	—	−38,630	−20,000
DBOF technical correction: DTIC	—	—	6,300	6,300
DBOF technical correction: IACS	—	—	2,800	2,800
University research reforms	—	—	—	−5,814

AEROSPACE PROPULSION

The conferees agree to provide $71,055,000 for aerospace propulsion, $1,700,000 above the budget request. This is a net increase which reflects an additional $3,000,000 only to support the ongoing research project on endothermic jet fuels including coal-based fuels. Bill language has been included to ensure that $2,500,000 is spent only for the coal-based jet fuels research project. The reduction reflects action taken by the conferees on the space-based wide area surveillance (SBWAS) efforts.

ELECTRONIC WARFARE DEVELOPMENT

The conferees agree to provide $200,071,000 for Electronic Warfare Development, $15,150,000 less than the budget request. The reduction has been made for the following projects: $9,800,000 associated with the B-1B Radar Warning Receiver; $4,300,000 for C-27 defense systems; $2,100,000 due to late contract award for Compass Call component development; and, $1,050,000 for concept studies and laboratory demonstration for the advanced strategic and tactical infrared expendables project. An increase of $2,100,000 is provided only for the proof-of-principle testing of the Army-developed AD/EXJAM system. The conferees agree that no funds may be transferred between separate projects within the Electronic Warfare program element without advance notification to the Appropriations Committees.

ADVANCED AERIAL TARGET DEVELOPMENT

The Conferees agree to provide $23,821,000 for the Advanced Aerial Target Development Program. This item funds, among other things, the development of a new drone, the QF-4. The conferees agree that this shall be a joint Air Force and Navy project and that it should be completed in the most cost-effective manner which may or may not include using the Naval Aviation Depots.

RANGE IMPROVEMENTS

The conferees agree to provide $66,918,000 for Range Improvements, $9,550,000 below the budget request. The reductions are for the following items: $3,400,000 for poor budget execution in fiscal year 1991; $10,000,000 for the Electronic Combat Integrated Test facility (ECIT); and $6,150,000 for HAVE PEWTER. An increase of $10,000,000 is provided only for the modernization and upgrade of the Poker Flat Rocket Range.

Last year, the Congress eliminated funds for a threat simulator development under the name "HAVE PEWTER" which had been terminated by the Air Force after an extremely long, costly, and unsuccessful acquisition which wasted millions of dollars. The Air Force elected, however, to start a new development program with fiscal year 1991 funds using the same name, this time using in-house capability rather than a contractor. The conferees believe that funds for this new effort should have been requested from Congress under existing new-start reprogramming procedures, since no funds had been appropriated for that purpose. The conferees further believe that at this point in time, the Air Force should seek to acquire such capability from foreign sources. Funds for "HAVE PEWTER" in fiscal year 1992 are therefore specifically denied.

Additionally, the conferees agree that none of the funds remaining in this program element may be used for ECIT related activities. The Department should review the capabilities of the Navy's Air Combat Environment Test and Evaluation Facility to determine the feasibility of using this facility for Air Force testing requirements. The Department should provide this review to the House and Senate Appropriations Committees.

IMPROVED CAPABILITY FOR DEVELOPMENT TEST AND EVALUATION

The conferees agree to provide $46,159,000 which includes a reduction of $6,500,000 based on program growth and budget execution concerns and a decrease of $3,600,000 to deny funds associated with the Electronic Combat Integrated Test Facility (ECIT). None of the remaining funds in this program element may be used for any ECIT-related activities.

DEVELOPMENT PLANNING

The conferees agree to the Senate's position and have provided $9,647,000 for Development Planning. The conferees agree that the Air Force should not reporgram funds into this program element, that funds shall not be spent on studies specifically denied as stated in the Senate's report, and that it shall notify the House and Senate Appropriations Committees in advance of any funds reallocated between approved and funded studies, or if any new studies are undertaken.

REAL PROPERTY MAINTENANCE—RDT&E

The conferees agree to provide $103,123,000 for Real Property Maintenance—RDT&E. Of this amount, $3,600,000 is provided in addition to amounts currently budgeted and appropriated for Edwards Air Force Base, for maintenance and repair of testing facilities. These funds are provided only for maintenance and repair of existing facilities and may not be used for work associated with any new facility.

ADVANCED WEAPONS TECHNOLOGY

The conferees agree to provide $61,552,000 for Advanced Weapons Technology. Of these

funds, $4,400,000 is only for magnetohydrodynamic pulsed power research. The Air Force is directed to continue this research in 1993 and future budget submissions. DD form 1414 for the fiscal year 1992 RDT&E, Air Force appropriation, shall show this increase as a special interest item, a decrease to which requires prior Congressional approval.

SPACETRACK

The conferees agree to provide $34,624,000 for SPACETRACK. Of these funds, $19,500,000 is only for the establishment of an image information processing center as recommended by the Senate. The use of the funds shall include the acquisition of a super-computer. Additionally, the Department is directed to review the second generation laser radar system proposal as stated in the Senate report, identify the costs and additional capability provided by such a system, and budget for this project in fiscal year 1993. DD Form 1414 for the fiscal year 1992 RDT&E, Air Force appropriation shall show this increase as a special interest item, a decrease to which requires prior Congressional approval.

JOINT SURVEILLANCE/TARGET ATTACK RADAR SYSTEM (JSTARS)

The conferees agree to provide $311,859,000, the budget request, for JSTARS. The conferees agree to the Senate's recommendation concerning program office staffing and support, and the Senate's concerns over the program content and program office priorities.

INDUSTRIAL PREPAREDNESS

The conferees agree to provide $60,535,000 for Industrial Preparedness, an increase of $10,000,000 over the budget request. Of these funds, $1,000,000 is only for ductile iron cast modeling as stated in the House report and $5,000,000 is only for the Continuous Fiber Metal Matrix Composites program as stated in the House report. DD Form 1414 for the fiscal year 1992 RDT&E, Air Force appropriation shall show these projects as special interest items, a decrease to which requires prior Congressional approval.

ICBM MODERNIZATION/SMALL ICBM

The conferees have provided $433,800,000 for the Small ICBM program. The President may use these funds to preserve the option for mobility.

ELECTRIC VEHICLE PILOT PROGRAM

The conferees agree that within the $76,306,000 appropriated for Base Operations, $2,500,000 shall be used to establish a joint research and development project between the Sacramento Municipal Utility District (SMUD) and the Sacramento Air Logistics Center at McClellan Air force Base to demonstrate electric vehicle technology for use at DoD installations located within the State of California. The conferees believe that the development of this pilot program will expedite the introduction of electric vehicles, where applicable, in the strict regulatory environment of California. This pilot program is an opportunity for the Department to answer the changing needs of its vehicle fleets and to lead the way in achieving zero emission vehicle operations in California.

TACTICAL AIM MISSILES

The conferees have provided no funds in the Service budgets for Sidewinder missile upgrades or follow-on missiles. Instead, these funds have been transferred to the joint service program funded in the RDT&E, Defense Agencies account.

OVER-THE-HORIZON-BACKSCATTER (OTH-B) RADAR

The conferees agree to provide no funding for the Over-the-Horizon Backscatter Radar (OTH-B) as proposed by the Senate instead of $7,961,000 as proposed by the House. The conferees direct that any caretaker or shutdown activities be funded from the Operation and Maintenance, Air Force account. The conferees also direct that all research and development activities on the OTH-B radar must be terminated after the expenditure of any RDT&E funds originally provided for this program in fiscal year 1991.

NAVSTAR GLOBAL POSITIONING SYSTEM/SPACE AND CONTROL SEGMENTS

The conferees agree to provide $52,005,000 for the Navstar Global Positioning System (Space and Control System) as proposed by the House instead of $70,105,000 as proposed by the Senate. Should additional fiscal year 1992 funding become necessary due to the resolution of outstanding contractual issues associated with the Nuclear Detonation Detection System, the Committees on Appropriations will consider alternative funding proposals to address the requirement.

ADVANCED CRUISE MISSILE

The conferees agree to terminate the Advanced Cruise Missile Variant. Funds are specifically denied and should be so designated on DD Form 1414 for the RDT&E, Air Force appropriation.

SPACE TEST PROGRAM

The House recommended $14,201,000 less for the Space Test Program than the total of $47,524,000 recommended by the Senate. The conferees agree with the funding levels and report language of the Senate. The conferees also agree that this program is an item of special congressional interest.

TACTICAL WARNING AND ATTACK ASSESSMENT (TW/AA) SATELLITE

The House deleted $82,000,000 requested in fiscal year 1992 and also denied the use of $84,000,000 already appropriated in fiscal year 1991 for the Follow-on Early Warning Satellite (FEWS) system as requested by the Department of Defense, and instead, provided $82,000,000 in fiscal year 1992 and $42,000,000 in fiscal year 1991 for acquisition of a more capable Advanced Warning System (AWS). The Senate approved the budget for the FEWS system as requested.

The conferees agree that there is a requirement to replace the current Defense Support Program with an advanced infrared TW/AA satellite system. The conferees also agree that, to the maximum extent possible, such a system must fully meet the needs of our tactical military forces and not be focused almost completely on the nuclear war-fighting role of CINC Space. The conferees, therefore, agree to provide $82,000,000 in fiscal year 1992 and $72,000,000 already appropriated in fiscal year 1991 to begin the demonstration/validation phase of a follow-on to DSP. The conferees also agree not to require the new system to meet any of the technical intelligence missions identified by the House for the first launch, but rather permit the Department to expand the capabilities of the system at the first opportunity when it is both technically and financially feasible. Finally, the conferees agree with the House position that the first satellite must have an on-board processing capability which will permit a direct downlink to deployed U.S. tactical commanders facing tactical missile threats such as was encountered by U.S. forces during Operation Desert Storm. As an item of special congressional interest, no funds are available for any phase, including demonstration/validation, of any follow-on to DSP which does not have such an on-board processing capability inherent in the satellite concept and design for launch on the first satellite.

NATIONAL LAUNCH SYSTEM (NLS)

The House provided no funds for the National Launch System (NLS) and the Senate provided $75.0 million of the requested $172.7 million. The conferees are concerned that neither DOD, including SDI, nor the intelligence community has any payload requirement for NLS. Moreover, of the remaining program cost of $10 billion to achieve the first launch, DOD has not budgeted for its $5 billion share in the outyears and the Congress has reduced the NASA fiscal year 1992 funding level from the requested $175 million down to only $33 million.

The conferees agree to provide $55 million in RDT&E, Air Force. The conferees agree that the obligation of more than a total of $55 million for NLS by DOD constitutes an item of special congressional interest.

THERMIONICS

The conferees agree to provide $10 million as proposed by the House, but also agree with the Senate that the Office of the Secretary of Defense should submit with the fiscal year 1993 budget request a new comparison of the acquisition cost, performance, size, weight, and cost effectiveness of thermionics technologies with other space power options.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE AGENCIES

Amendment No. 95: Deletes House heading "(Including Transfer of Funds)".

Amendment No. 96: Appropriates $9,978,305,000 instead of $8,979,141,000 as proposed by the House and $9,393,542,000 as proposed by the Senate, restores text proposed by the House but stricken by the Senate concerning the time availability of these funds, and deletes Senate provision on Brilliant Pebbles.

Amendment No. 97: Restores and amends House language on Special Operations Command funding; restores and amends House language to provide $10,000,000 to the National Biomedical Research Foundation; restores and amends House language to provide $171,000,000 for the Extended Range Interceptor (ERINT) missile, $60,000,000 for the Arrow Continuation Experiments, and $145,500,000 for the Patriot program; adds and amends Senate language on the Experimental Program to Stimulate Competitive Research (EPSCOR); deletes House language on the Environmental and Molecular Sciences Laboratory; restores House language on "Buy American" for the Superconducting Magnetic Storage System; deletes Senate language on the Critical Technologies Institute; adds Senate language providing obligation restrictions on the Superconducting Magnetic Storage System; adds Senate language on earmarking prior year funds for a supercomputer; and adds new language providing grants to a number of institutions which will provide the Defense Department additional critical research capabilities.

Amendment No. 98: Adds and amends Senate language on certain materials and technologies, and provides a general provision concerning university research projects and restrictions on test range instrumentation development.

The conference agreement on items addressed by either the House or Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
Research development test and eval def ag:				
Defense research sciences	88,290	108,290	95,058	113,590
In-house laboratory independent research	2,206	2,206	6,206	2,206
Military nursing research			1,000	1,000
University research initiatives	87,373	182,373	90,580	225,973
Historically black colleges & universities (HBCU)			15,000	15,000
Other tech base university grants			−18,545	
U.S. Japan management training			10,000	10,000
Superconductive magnetic energy storage		40,000		40,000
Medical free electron laser	20,000	30,000	20,000	23,600
Strategic technology	268,380	268,380	288,380	288,380
Tactical technology	117,900	117,900	120,900	126,900
Integrated command and control technology	35,500	135,500	36,800	110,500
Materials and electronics technology	62,035	143,036	93,036	187,536
Defense Nuclear Agency	441,141	341,141	290,142	367,748
Focus hope		20,000		20,000
Environmental special project		20,000		20,000
DOD Environmental studies development		10,000		5,000
SDI Organization's Funds:				
Strategic defense initiative (SDI)	4,572,574	2,656,000	4,600,000	3,321,290
Tactical missile defense initiative—DEM VAL	508,000	787,460		758,710
Tactical missile defense initiative FSD	70,000	70,000		70,000
Joint DOD–DOE munitions technology development	10,260	10,260	20,000	18,000
Experimental evaluation of major innovative technology	289,700	224,700	277,960	248,400
Relocatable target detection technology program	10,000	28,000	10,000	28,000
Advanced submarine technology		75,000		75,000
Pre-competitive technology development		50,000	75,000	60,000
Strategic environmental research program				50,000
Computer aided logistics support	10,475	10,475		
Balanced technology initiative	191,568		154,968	120,000
Cooperative DOD/VA medical research		20,000		20,000
Medical research		30,000		10,000
Manufacturing technology	206,200	206,200	201,600	201,600
Consolidated DOD software initiative	6,932	26,932	6,932	26,932
Consolidated DOD software initiative	44,000	54,000	37,100	54,000
Special operations advanced technology development	13,700	16,700	15,700	16,700
Verification technology demonstration	83,230	83,230	71,980	83,230
Air defense initiative	273,000	123,000	164,000	207,000
Physical security equipment	39,926	60,926	39,926	60,926
Classified program—C3I	5,300	10,300	5,300	10,300
Non-acoustic ASW		100,000	30,000	43,800
AIM–9 consolidated program	43,781	70,139	43,781	62,339
CINC C2 initiatives	1,803	1,803		
CINC C2 initiatives				1,803
Joint remotely piloted vehicles program	68,562	86,300	70,513	104,213
Joint simulation office			40,000	40,000
General support for SO/LIC			2,000	2,000
Special operations tactical systems development	194,290	207,250	172,676	208,290
Special operations intelligence systems development	10,637	15,837	10,637	15,837
SOF operational enhancements	54,190	21,893	54,190	54,190
Special operations forces (Transfer FR. AF)		1,991		
Airborne reconnaissance support program	222,800	322,800		147,800
Defense reconnaissance support activities	52,876	74,876	52,876	82,876
Classified programs	1,226,759	1,263,088	1,218,359	1,275,700
Manufacturing technology		50,000	157,000	100,000
FCIMS programs			27,000	27,000
Manufacturing engineering education			25,000	25,000
Managers in the classrooms			5,000	5,000
Advanced materials			15,000	15,000
Integrated diagnostics	10,751	10,751	7,401	7,401
NATO research and development	40,956		19,256	19,256
Technical support to USD(A)	41,176	38,176	41,176	38,176
General support to C3I		15,000		15,000
Defense technical information center		22,500		
Information analysis centers		5,500		
Industrial preparedness		17,000		17,000
Contractor travel			−25,574	−18,000
Mobile off shore basing				3,000
DBOF technical correction: DTIC			4,200	4,200
DBOF technical correction: IACS			1,800	1,800
University research reforms				−10,125

DEFENSE RESEARCH SCIENCES

The conferees agree to provide $113,590,000. Within that amount, $12,800,000 is only for the environmental research project authorized by the Armed Services Committees; $9,500,000 is only for superconducting multi-chip modules and superconducting materials as recommended by the Senate; and $3,000,000 is only for multi-chip module automated design tools and processes as recommended by the House. DD Form 1414 shall show these earmarks to be items of special interest, a decrease to which requires prior approval from Congress.

UNIVERSITY RESEARCH INITIATIVES

The conferees agree to provide $225,973,000. Within that amount, $50,000,000 is only to continue the Augmentation Awards for Science and Engineering Research Training; $10,000,000 is only for the Experimental Program to Stimulate Competitive Research in the Department of Defense (EPSCOR); $10,000,000 is only for the Institute for Advanced Science and Technology as authorized by the Armed Services Committees; $6,000,000 is for SEMATECH instrumentation as authorized by the Armed Services Committees; and $62,600,000 is for various research initiatives which will provide the Defense Department additional critical research capabilities. The conferees concur with the House and Senate report language on EPSCOR and agree to bill language requiring that fiscal year 1991 and 1992 funds be available for a DOD EPSCOR program that includes all states eligible for the National Science Foundation EPSCOR program.

MEDICAL FREE ELECTRON LASER

The conferees agree to provide $23,600,000, of which $3,600,000 is only to create new research centers for the development of compact continuous wave X-ray and millimeter wave free electron laser sources as recommended by the House, but to be obligated only after a successful peer-reviewed, competitive award process.

TACTICAL TECHNOLOGY

The conferees agree to provide $126,900,000. Within that amount $10,000,000 is only for ground vehicle identification-of-friend-or-foe technology and $5,000,000 is only for acoustic charge transport technology as recommended by the Senate. DD Form 1414 shall show these earmarks to be items of special interest, a decrease to which requires prior approval from Congress. The conferees also agree to provide $6,000,000 for classified Zeal Dawn follow-on technologies to include $1,000,000 for Tin Yoke.

INTEGRATED COMMAND AND CONTROL TECHNOLOGY

The conferees agree to provide $110,500,000, an increase of $75,000,000 only for high definition display systems. Concerning the earmark of $1,300,000 addressed in both the House and Senate reports, the conferees agree to the House language concerning the Oregon Graduate Institute.

MATERIALS AND ELECTRONICS TECHNOLOGY

The conferees agree to provide $187,536,000. Within that amount, $60,000,000 is only for x-ray lithography research as recommended by the House; $6,000,000 is only for laser based x-ray point source development, which is an addition to the $6,000,000 provided in the House bill for this purpose; $10,000,000 is only for the new national laboratory/university/industry initiative in x-ray lithography recommended by the House; $6,000,000 is only for a grant to Northeastern University as recommended by the House; $5,000,000 is only for metal matrix composite and advanced ceramic materials as authorized by the Armed Services Committees; $26,000,000 is only to continue DARPA participation in developing technology and manufacturing processes for continuous fiber metal matrix composites materials as recommended by the Senate; and $12,500,000 is only to enhance development of diamond substrate materials, an addition of $7,500,000 to the amount originally recommended by the Senate for the same purposes as recommended by the Senate. DD Form 1414 shall show each of these earmarks to be items of special interest, a decrease to which requires prior approval from Congress. Concerning the $60,000,000 for x-ray lithography, the conferees continue to believe strongly that allowing DARPA a free hand in prioritizing these funds has contributed to the successes achieved to date in this important field, and remain very reluctant to subearmark funds within the x-ray lithography account to benefit one method, procedure, or technology over another.

DEFENSE NUCLEAR AGENCY

The conferees agree to provide $367,748,000, which includes $50,050,000 only for expansion of DNA's generic research and development efforts, except test bed investments, and $29,556,000 only for the "MIGHTY UNCLE" underground nuclear test. The conferees agree to all other specific reductions in the Senate report. These reductions shall be so annotated on DD Form 1414 as specifically denied. The $50,050,000 may be used only for generic work which applies to numerous weapon systems. The conferees recognize that DNA should provide testbeds and develop hardening technologies supporting a wide range of applications, and that users of DNA testbeds should continue to pay for system specific experiments. Because of the special nature and visibility of the Strategic Defense Initiative (SDI), however, the conferees direct that none of these DNA funds may be used to finance either SDI unique or SDI predominant costs. This will ensure that future public debate on SDI will continue to

have the benefit of an integrated budget which accurately portrays all relevant costs. Future budgets to Congress should adhere to this funding criterion when allocating costs between SDI and DNA. In fiscal year 192, the SDIO is free to allocate whatever funds it deems necessary to the Defense Nuclear Agency to meet its requirements except for purposes for which funds were denied by Congress.

STRATEGIC DEFENSE INITIATIVE ORGANIZATION'S FUNDS

The conferees agree to provide $4,150,000,000 for the Strategic Defense Initiative and Theater Missile Defense programs in the separate program elements contained in the President's budget.

EXPERIMENTAL EVALUATION OF MAJOR INNOVATIVE TECHNOLOGIES

The conferees agree to provide $248,400,000. Within this amount, $10,000,000 is only for the ASW systems project on sonar automation and acoustic source research as recommended by the House; $1,200,000 is only to continue the hyperspectral sensor technology space object tracking project as recommended by the Senate; and $500,000 is only for the classified Tinsel Moon project as recommended by the Senate. DD Form 1414 shall show these earmarks to be items of special interest, a decrease to which requires prior approval from Congress. The conferees have also provided the following reductions: $55,000,000 has been transferred to the advanced submarine technology line as recommended by the House; and $3,000,000 is for EHF communication concepts as recommended by the Senate which is specifically denied.

BALANCED TECHNOLOGY INITIATIVE

The conferees agree to provide $120,000,000. Within that amount the conferees agree with the earmarks in the Senate report but also agree to provide $8,000,000 only for the Quiet Knight project and $6,000,000 only to continue the millimeter wave seeker/guidance project previously initiated by BTI. The conferees agree that the language contained in the House report on the X-rod and SRAW systems is to be followed even though the projects are now funded in BTI. The conferees also agree to specifically deny all funds for the Battalion Targeting System and clearly state their intention that this project is terminated. The conferees also strongly endorse Senate recommendations to improve the management of this program.

AIR DEFENSE INITIATIVE

The conferees agree to provide $207,000,000, of which $15,000,000 is only for low low frequency active technology and $30,000,000 is only for continued development of the airship. The conferees also agree to the specific earmarks and related guidance recommended in the Senate report. DD Form 1414 shall show these earmarks to be items of special interest, a decrease to which requires prior approval from Congress.

AIM-9 CONSOLIDATED PROGRAM

The conferees agree to provide $62,339,000, which includes $13,458,000 for AIM-9M upgrades and $5,000,000 only for concept definition of a new AIM-9X missile. Funds for AIM-9X may not be obligated until the Secretary of Defense submits a report to Congress which certifies that a joint service development and procurement program will be undertaken and which provides a plan that addresses the military requirements, management organization, acquisition strategy, cost, budget and schedule for a program to develop it as well as the other issues raised in the Senate report. The Secretary must also certify to the Appropriations Committee that the AIM-9X program is fully funded in RDT&E and procurement in fiscal years 1993 to 1998 before funds are obligated.

JOINT SIMULATION OFFICE

The conferees agree to provide $40,000,000 as recommended by the Senate to initiate funding for a DOD-wide office to coordinate a Department wide approach to simulators and training devices for both acquisition and training purposes. The conferees are particularly impressed with the potential for use of virtual interface technologies in these applications. In order to develop an aggressive program to take advantage of this emerging technology, the conferees direct the Defense Modelling and Simulations Office to report on service and DOD plans to utilize virtual interface technology in both acquisition and training areas. Within the amount provided, $5,000,000 is only for virtual interface technology and $5,000,000 is only for advanced technology training for National Guard roundout brigades. DD Form 1414 shall show these funds to be an item of special interest, a decrease to which requires prior approval from Congress.

BROAD AREA SEARCH

The conferees agree that increasing the U.S. capability to search large areas with imagery in support of tactical battlefield commanders is a high national priority. Consequently, the conferees agree to provide $30,000,000 for the Defense Reconnaissance Support Activities as recommended by the House. However, the conferees believe that the proper acquisition strategy must not be targeted toward a particular system, but must foster competition which time-and-again has proven to provide the best capability at the lowest cost. Consequently, the conferees agree that not more than $10,000,000 of that amount may be obligated for LANDSAT until 60 days after the following required certifications are made to the House and Senate Committees on Appropriations: (a) the Secretary of Defense and the Director of Central Intelligence jointly certify that there is a tactical military or intelligence requirement for LANDSAT imagery; (b) the Secretary of Defense, the Secretary of Commerce, and the Director of Central Intelligence jointly certify that sufficient funds have been budgeted in the outyears to fully fund LANDSAT 7; (c) the Director of the Office of Management and Budget certifies that the outyear joint funding plan is consistent with the 1990 budget agreement and that funding for such a plan has been approved by the Administration for fiscal year 1992; and (d) the DOD Inspector General certifies that sole-source acquisition of additional LANDSAT satellites will meet any tactical military or intelligence requirement at less total cost to the Department of Defense and the Intelligence Community than would be incurred through an industry wide competition for such a broad area imagery capability. The conferees agree that the remaining $20,000,000 may only be obligated after receipt of the certifications outlined above and after DOD submits a broad area search acquisition plan and receives the prior approval of the Appropriations Committees.

COMMERCIAL COMMUNICATIONS SATELLITES

The conferees agree with the House recommendation to provide $15,000,000 for the Department to explore greater use of commercial communications satellites.

INDUSTRIAL PREPAREDNESS

The conferees agree to provide $17,000,000. Within this amount, $4,000,000 is only for the Military Sewn Products Automation and $2,000,000 is only for the lease of equipment for the Instrumented Factory for Gears at the Illinois Institute of Technology Research Institute. DD Form 1414 shall show these items to be of special interest, a decrease to which requires prior Congressional approval.

ADVANCED SUBMARINE TECHNOLOGY

The conferees agree to provide $75,000,000. Within that amount, $1,200,000 is only for advanced weaving technologies. DD Form 1414 shall show this item to be of special interest, a decrease to which requires prior Congressional approval. The conferees are aware of a proposal to conduct an open ocean demonstration of magnetohydrodynamic propulsion technology for submarines using a scale model, and encourage DARPA to evaluate the merits of this technology and the proposed demonstration, and to consider funding this effort within available funds in this program. In addition, the conferees agree to the House earmark for nickel-cadmium battery research but in the amount of $850,000.

ARTIFICIAL IONOSPHERIC MIRROR FOR SURVEILLANCE OF LOW OBSERVABLES

The conferees direct that the Joint Counter Low Observables Office in the Office of the Undersecretary of Defense (Acquisition) assess the AIM-LO concept from the perspectives of operational utility, cost-effectiveness, military-effectiveness, technological risk, comparison with alternative technologies and systems accomplishing this mission, and a review of previous and existing work to develop this technology. This assessment shall be submitted to the Congress no later than June 1, 1992.

NUCLEAR PROLIFERATION MONITORING

The conferees are aware of a proposal to apply newly developed technologies to the monitoring of nuclear proliferation. The proposed program would develop new sensors and monitoring techniques to expand the United States' capability to monitor nuclear proliferation as well as chemical and biological weapons proliferation. The conferees direct that the Secretary of Defense conduct a study identifying the extent to which all federal departments and agencies are now conducting research in these areas. The approaches currently used to address the monitoring requirements should be discussed, noting any deficiencies and already programmed efforts to address them. The report should also assess the additional proliferation monitoring project detailing its cost and schedule, and evaluating whether the expected results will warrant such expenditures.

COMPUTER BASED TEACHING FOR MATHEMATICS AND SCIENCE

The conferees are aware of work being done at the National Science Center Foundation (NSCF), a nonprofit organization whose goal is to improve performance of students in mathematics and science by creating new technological tools for teaching those subjects and implementing them in schools. The NSCF's initial objective is to develop a computer-based teaching system, including courseware, to improve the teaching and learning of secondary math from algebra I through calculus. In view of the potential contributions of this project, the conferees direct the Secretary of Defense to assess the extent to which the capabilities NSCF is helping to develop are useful to the Department in accomplishing its defense mission. The conferees direct that this report be submitted to the Congressional defense committees no later than March 31, 1992.

NEUROSCIENCE CENTER

The conferees direct the Secretary of Defense to proceed with the solicitation of proposals for a collaborative spinal cord injury, paralysis, neuroscience research, education and training facility. Provision for this facility was made in the fiscal year 1990 and 1991 authorization and appropriation Acts, including a stipulation that no less than $18,000,000 was to be obligated within 90 days of enactment of the fiscal year 1991 appropriations Act for the Department of Defense. The conferees wish to reiterate the original Congressional intention of this legislation to provide only a university-based facility that would primarily focus on neuroscience and spinal cord injury related efforts. The university site should be recognized for its activities in the area of spinal cord injury and paralysis, as well as having expertise in neuro-degenerative disease, neuroscience, and trauma care. As previously agreed to, the federal contribution is to be for a facility within a science complex, and is to constitute no more than one-third of the total funds committed for such a facility. The conferees believe that there should be no additional delays in implementing this provision, and request a report on the issuance of the solicitation within 45 days of enactment of this Act. The conferees believe that there should be no additional delays in implementing this provision and direct the Department of Defense to issue a request-for-proposals within ten days of the enactment of this Act and to obligate funds within 180 days of the enactment of this Act.

STRATEGIC ENVIRONMENTAL RESEARCH PROGRAM (SERP)

The conferees agree to provide $50,000,000 for the Strategic Environmental Research Program (SERP) for fiscal year 1992 and direct that the use of these funds also be governed by the directions stated in the Senate report. Within this amount, $1,000,000 is available only for the Consortium for International Earth Science Information Network to jointly study and develop mechanisms for transferring unclassified and recently declassified information to other government agencies and to nongovernmental organizations involved in global environmental change research. DD Form 1414 shall show this item to be of special interest, a decrease to which requires prior Congressional approval.

CONSOLIDATED DOD SOFTWARE INITIATIVE

The conferees agree to provide $54,000,000, an increase of $10,000,000 to the budget request. The conferees direct that $2,000,000 of the funds provided be available only for the Asset Source for Software Engineering Components (ASSET) project. The ASSET project shall be shown as a special Congressional interest item on DD Form 1414, a funding decrease to which requires prior Congressional approval.

STRATEGIC TECHNOLOGY

The conferees agree to provide $288,380,000, of which $20,000,000 shall be available only for the Defense Advanced Research Projects Agency Initiative in Concurrent Engineering (DARPA-DICE). DD Form 1414 for the Defense Agencies fiscal year 1992 RDT&E appropriations account shall show this to be a special interest item, a funding decrease to which requires prior Congressional approval. The conferees also direct the Office of the Secretary of Defense to conduct a study examining the increasing utilization of massively parallel and parallel vector supercomputer technology on board both submarines and combat aircraft where space and weight limitations are at a premium. The study should examine currently available systems emphasizing size, weight, performance, scalability, life cycle costs and reliability. Results of this study will be made available to the Appropriations Committees no later than June 15, 1992. The conferees agree with the House direction that not less than $26,500,000 shall only be available for project ST-16, high temperature superconductivity. The conferees further agree with the House designation of $1,500,000 only for the second year of a multi-year $5,000,000 superconductive digital electronics project. DD Form 1414 for the Defense Agencies fiscal year 1992 RDT&E appropriations account shall show these earmarks as special interest items, a funding decrease to which requires prior Congressional approval.

UNMANNED AIR VEHICLE JOINT PROGRAM (UAVS)

The conferees agree to provide $84,013,000 for the UAV program instead of $86,300,000 as proposed by the House and $70,513,000 as proposed by the Senate. The conferees agree with the Senate reductions to the budget request of $2,000,000 identified as excess to program requirements and $3,549,000 for the short range UAV block III upgrade. The conferees also agree to provide $31,100,000 within the total fiscal year 1992 budget amount for the medium range unmanned air vehicle. The conferees also direct that $1,200,000 of the funds provided for the interoperability/commonality project shall be available only to continue development of a common automatic recovery system as described in the Senate report.

The conferees agree to the following additions to the fiscal year 1992 request: $6,200,000 for close range UAV technology demonstrations and $20,000,000 for MAVUS II to continue examining the efficiencies of shipboard operations of a VTOL UAV system for a variety of missions. The conferees have also provided $15,000,000 for the Tilt-Rotor Demonstration Project. The conferees believe that the additional resources provided for the tilt-rotor project should enable the Joint Program Office to conduct an aggressive technology demonstration program which utilizes a systems-based approach to address actual maritime UAV mission requirements.

Finally, the conferees agree to the prohibitions and directions in the Senate report language, including the prohibition on the obligation or expenditure of fiscal year 1992 funds made available to the Joint Program Office for any tactical endurance UAV activities.

SPECIAL OPERATIONS FORCES

The conferees agree to provide $298,316,000 which represents the following adjustments to the budget request: +$3,800,000 for the coastal patrol craft; +$4,000,000 for the Joint Advanced Special Operations Radio project; +$20,000,000 for the Mark V fast patrol boat project; −$2,800,000 from the Advanced Seal Delivery System (ASDS) project; −$6,200,000 from prior year funds available for the cancelled MC-130H Combat Talon II Integrated Defensive System (CIDS) project; −$19,800,000 from the indefinitely deferred Combat Talon II Detection Avoidance System; and +$15,000,000 for CV-22.

The conferees direct SOCOM to report to Congress on the specific uses of the remaining $9,900,000 in fiscal year 1991 funds reallocated from the CIDS project.

Additionally, the Command shall ensure that the stabilized weapon platform system is fully funded.

Finally, the conferees agree to deny the $1,991,000 request by the Air Force Special Operations Forces program element. First, such funds, if justified should be requested in SOCOM's budget; second, the budget justification material provided to Congress demonstrates clearly that the use of these funds is not related to the Special Operations Forces.

Mark V Patrol Boats. The conferees provide $20,000,000 for the design and selection of prototype Mark V fast patrol boats (PB MK-V) for Special Operations SEAL insertion missions. The conferees expect the US Special Operations Command (USSOCOM) to proceed expeditiously to develop and field a fast seal insertion boat no later than fiscal year 1994. The $20,000,000 should be used for the following purposes: to establish a MK-V program office; to develop a technical data package; to complete a market survey; to finalize a comprehensive acquisition strategy; to solicit bids from qualified U.S. manufacturers through an expedited request for proposal process; to select from competitive proven designs; and to award a contract for prototype boats.

The conferees expect that all these activities will be completed in fiscal year 1992 so that a full prototype testing program can be funded and implemented as soon as possible and a candidate MK-V boat selected. The Department is directed to provide full funding beginning with the fiscal year 1993 budget for any military personnel, RDT&E, procurement, military construction and operation & maintenance funding that will be required for the MK-V boat. The conferees recognize the special operations requirement for a SEAL insertion boat that is both fast and air transportable. The conferees direct that advance propulsion drives be investigated as part of the competitive process for testing of prototype boats. The conferees also direct that USSOCOM ensure that its requirements for MK-V include the drug interdiction mission and that testing of one of the prototype boats be oriented toward Andeantype riverine environments.

Program Management. The conferees agree that program management for the ASDS and the Mark V shall be the responsibility of the U.S. Special Operations Command (USSOCOM), in consultation with the Assistant Secretary of Defense SO/LIC. Additionally, the conferees direct that the Naval Sea Systems Command (NAVSEA) be responsible for executing these projects at SOCOM's direction. The conferees expect status reports on the ASDS and Mark V programs to be cosigned by the Director, SORDAC and Commander of NAVSEA, and submitted to the Appropriations Committees of the House and Senate on a quarterly basis beginning with the second quarter, FY 1992. Furthermore, the conferees direct that not less that 4,000,000 of the funds appropriated to SOCOM for Management Headquarters, PE1150198BB, and not less than $4,000,000 of the funds appropriated to Naval Sea Systems Command management headquarters account shall remain unobigated and unexpended until a report is provided to the Committees on Appropriations of the House and Seante certifying that all milestones mandated for the Mark V program in fiscal year 1992 will be completed.

The conferees expect that SOCOM and NAVSEA will move expeditiously to implement the directions of the conferees regarding the Mark V accelerated acquisition strategy. The conferees are dismayed at the lack of coordination and responsiveness evidenced so far in the development of this and other Special Operations Forces programs. It is the expectation of the conferees that the

Mark V program should demonstrate coordination, cooperation, and sound management policies among the command headquarters, ASD SO/LIC, the Services and field operators.

Furthermore, the conferees expect that NAVSEA will use fiscal years 1991 and 1992 funds for the ASDS project as directed by USSOCOM. The conferees fully support the Senate's language on the Mark V program and expect full compliance with the accelerated schedule and milestones. The conferees direct the Department to ensure that full funding is provided in future years for all program support costs associated with these programs.

DIRECTOR OF TEST AND EVALUATION, DEFENSE

Amendment No. 99: Appropriates $211,277,000 instead of $221,300,000 as proposed by the House and $215,764,000 as proposed by the Senate.

The conference agreement on item addressed by either the House or Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
Director of Test and Eval Defense:				
Central test and evaluation investment development (CT	125,527	85,927	89,927	93,327
Foreign comparative testing	34,923	34,923	22,192	17,100
Development test and evaluation	109,400	84,400	87,195	84,400

CENTRAL TEST AND EVALUATION INVESTMENT PROGRAM

The conferees have provided $93,327,000 for the Central Test and Evaluation Investment Program. The conferees have restored the House-recommended reduction of $40,000,000 to this program element. The conferees agree to all of the Senate reductions with the exception of the reduction of $14,000,000 for the common airborne instrumentation system (CAIS) program, for which the conferees have restored $3,400,000. With respect to the Global Positioning System (GPS) Range Applications Joint Program Office (RAJPO) program, the conferees agree to the Senate earmarks of funds within service program elements for acquisition of GPS RAJPO instrumentation. The conferees direct that GPS RAJPO equipment suites be procured competitively beginning in fiscal year 1993. The conferees have included bill language restricting the Department of Defense to the purchase of only eight GPS RAJPO equipment suites using fiscal years 1991 and 1992 funding. The conferees' action defers the planned fiscal year 1992 purchase of three equipment suites until the competitive procurement effort. The conferees further direct that any savings from the deferral of these three equipment suites should be used to foster competition in the GPS RAJPO development program.

TITLE V—DEFENSE BUSINESS OPERATIONS FUND

Amendment No. 100: Deletes House language; appropriates $3,424,200,000 instead of $3,400,200,000 as proposed by the Senate; and deletes House language making $24,000,000 subject to authorization.

[In thousands of dollars]

	Budget	House	Senate	Conference
Revolving and Management Funds				
Defense business operations fund	2,979,970	0	3,400,200	3,424,200
War reserves				(426,300)
Army Stock Fund				
Depot level repairables		827,300	0	0
Air Force Stock Fund				
Depot level repairables		1,190,500	0	0
War reserve stocks		426,300		
Total, revolving and management funds	2,979,970	2,444,100	3,400,200	3,424,200

DEFENSE BUSINESS OPERATIONS FUND

Section 8121 establishes the Defense Business Operations Fund (DBOF) in 1992. This fund will incorporate all existing stock and industrial funds plus the Defense Finance and Accounting Service, the Defense Commissary Agency, and three small Defense Logistics Agency functions. The Department is directed to abide by the reporting requirements and capital budgeting restrictions defined in the Senate report accompanying its version of the 1992 Defense Appropriations Bill.

The conferees agree to provide the full amount requested by the Administration for DBOF, and provide an additional $24,000,000 for the purchase of war reserve spare parts and supplies for special operations forces.

The conferees understand that those activities which do not operate currently as a revolving fund—such as the Defense Commissary Agency—will undergo the most significant changes when incorporated into DBOF. As such, the conferees are especially concerned about the potential loss of oversight of them. So, for 1992, the Department should implement DBOF in such a way as to preserve the discrete identification of each of these activities, including separate accounting, financial reporting, and auditing.

The conferees believe that the implementation of DBOF in 1992, as defined above, is an appropriate first step. No proposal which seeks to add other activities to DBOF will be approved until the Department can demonstrate that the first phase of this program has succeeded in realizing the management and efficiency benefits the Department claims will occur.

PENTAGON RESERVATION MAINTENANCE FUND

The conferees have examined in detail the Department's proposal to initiate the renovation and modernization of the Pentagon facilities. In Section 8143, funds are made available to support the initial phase of this project to replace the deteriorating and inadequate powerplant for the Pentagon and to begin the design of a new Logistics Support Annex.

The conferees are concerned about whether this project should be funded within the Defense Appropriations bill, or in the Military Construction Appropriations bill. While the conferees recognize the need to improve the Pentagon facilities, this project will impose a significant funding liability on the operation and maintenance appropriations in the future. And, because the project envisions a full-fledged renovation of the Pentagon, funding for it should compete with other Department of Defense military construction priorities. The conferees note that similar concerns led all four Defense Committees to reject the Department's plan to fund military construction projects through the Defense Business Operations Fund. As such, the Department is directed to examine alternative funding methods for this project and provide a report detailing such alternatives to the Committees on Appropriations of the House and Senate no later than June 1, 1992.

WAR RESERVE STOCKS

War reserve stocks shall be identified as a separate line item in justification books. It shall also show a breakdown by Service.

DOD COMMISSARY AGENCY PURCHASING ACTIVITIES

The conferees support the Department's initiative to merge the military commissaries, to realize economies and improve service to DOD personnel and their dependents. Last year, DOD merged the service commands in Alaska into the Pacific Command, creating a new, subunified command. In both Anchorage and Fairbanks, Army and Air Force bases are located in close proximity, and personnel at installations in both areas utilize facilities on each base. The conferees believe that the Commissary Agency could realize significant savings by creating a single purchasing organization in Alaska to serve the several Air Force and Army bases in the State. Currently, purchasing for the installations in Alaska is shared by different offices located elsewhere in the United States. The Director of the Commissary Agency shall report to the Committees on Appropriations of the House and Senate the plan for consolidation of purchasing services in Alaska not later than February 15, 1992.

DBOF/MANAGE TO PAYROLL

The conferees understand that with the implementation of the Defense Business Operations Fund, current management constraints on covered activities, including the Manage to Payroll program, are no longer appropriate. Therefore the Department is directed to suspend such programs as it implements DBOF.

TITLE VI—OTHER DEPARTMENT OF DEFENSE PROGRAMS

CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, DEFENSE

Amendment No. 101: Appropriates $208,698,000 for operation and maintenance as proposed by the House instead of $210,900,000 as proposed by the Senate. The conferees are aware of additional dramatic cost increases and schedule slippages which have recently occurred in this program. These changes make even more important the submission of a revised schedule and life cycle cost report as directed by the House. In conformance with this direction, the report shall be submitted by February 1, 1992 and shall include disposal plans, schedules, and costs for nonstockpile chemical warfare items. The report shall also reflect realistic schedules and costs, without regard to artificially imposed deadlines, using cost, programmatic, and technical information gleaned from most recent experience.

The most recent program changes make obsolete the operation and maintenance budget submitted in February. On the one hand, fiscal year 1992 operating costs for the destruction facility at Tooele Army Depot will clearly be far less than the $22,800,000 budgeted because completion of facility construction has slipped by another year. On the other hand, operating costs at the Johnston Island facility have increased as a result of higher wage rates, new incentives, and program slippage. Other changes have occurred in virtually every component of the operation and maintenance budget. The Department is therefore directed to submit an allocation and budget justification for the appropriated program within 60 days of the enactment of this legislation. Such an allocation shall fully support the proposed single agency and emergency response requirements. The allocation shall also consider House budget adjustments based on the belief that program management and support costs were overstated.

Amendment No. 102: Appropriates $151,800,000 for procurement instead of

$229,202,000 as proposed by the House and $250,000,000 as proposed by the Senate. The conference agreement funds the procurement requirements estimated in the most recent program documentation from the Department. The agreement is allocated as follows: Tooele, $49,700,000; Anniston (three items of equipment), $16,200,000; Umatilla (deactivation furnace), $8,700,000; other facility locations (process design), $5,400,000; program support, $37,000,000; emergency response, $10,900,000; JACADS, $1,500,000; CAMDS, $2,200,000; training facility, $200,000.

Finally, the agreement includes $20,000,000 in advance procurement for a cryofracture facility. The conferees recognize that additional research and testing needs to be done on this approach to chemical weapon disposal before a facility decision can appropriately be made. However, the funding is being included in the bill, as proposed by the Senate, to indicate the strong support for this program by both Houses. The funding will also give the Department the ability to proceed immediately on equipment procurement when a decision to proceed with such a facility is made.

Amendment No. 103: Appropriates a total of $374,398,000 for chemical Agents and Munitions Destruction, Defense, instead of $451,800,000 as proposed by the House and $474,800,000 as proposed by the Senate.

Amendment No. 104: Amends House provision limiting the procurement of equipment for certain chemical weapon disposal facilities.

The House provision, stricken by the Senate, prohibited obligation or expenditure of funds for procurement of equipment for facilities other than Tooele Army Depot until operational verification testing at the Johnston Atoll Chemical Agent Destruction Facility (JACADS) was complete and certain other conditions were met. Subsequent slippage in the program makes this House provision unrealistic and unworkable. However, the conferees agree that additional testing needs to be completed at JACADS before major equipment investments are made for new facilities. Such an approach reduces, in the interest of safety and prudent management, the concurrency in this program which previous deadlines have forced the Department to include in schedules and budgets. The conference agreement for equipment procurement includes funding in the amount of $8,700,000 for procurement of a deactivation furnace for the Umatilla facility and $16,200,000 for three items of equipment for Anniston. The proviso agreed to by the conferees will prohibit obligating these funds until Phase III of JACADS OVT is started, currently scheduled for May, 1992.

DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE

Amendment No. 105: Appropriates $1,188,600,000 instead of $1,155,994,000 as proposed by the House and $1,117,075,000 as proposed by the Senate.

The conference agreement on items in conference is as follows:

[In thousands of dollars]

Project no.	Budget	House	Senate	Conference
O&M, Army:				
2107	5,558	.....	5,558	5,558
2302	1,700	.....	1,700	1,700
2311	16,200	.....	16,200	.....
2314	12,573	.....	12,573	12,573
2429	7,191	1,191	7,191	1,191
Aerostats—Coast Guard	.....	.....	21,200	19,400
General reduction	.....	.....	−10,000	−10,000
O&M, Navy:				
3110	200	200	.....	.....
E-2C Coast Guard	.....	.....	13,200	12,180
O&M Marine Corps:				
3415	2,300	.....	2,300	2,300
3432	2,600	.....	2,600	2,600
O&M, Air Force:				
Aerostats—Coast Guard	.....	23,250	23,900	23,120
O&M, Defense Agencies:				
1401	25,000	25,000	10,000	15,000
1406	2,000	.....	2,000	.....
NDIC	.....	10,000	.....	10,000
OPTEMPO	.....	.....	−35,000	−20,875
Demand reduction	.....	.....	−10,000	−10,000
Other procurement, Army:				
2107	6,500	.....	6,500	6,500
2429	6,800	4,500	6,800	4,500
General reduction	.....	.....	−6,500	.....
Aircraft Procurement, Navy:				
HH-60J	.....	.....	.....	30,000
Procurement, Marine Corps:				
3415	3,000	.....	3,000	3,000
Procurement, Defense Agencies:				
1406	5,000	.....	5,000	.....
NDIC	.....	20,000	.....	20,000
National Guard and Reserve Equipment:				
3000	3,000	18,000	3,000	3,000
RDT&E, Army:				
2314	5,000	.....	5,000	5,000
RDT&E, Defense Agencies:				
1403	30,000	35,000	30,000	35,000
4227	.....	8,000	.....	6,000
NDIC	.....	10,000	.....	10,000

REPROGRAMMING PROCESS

Due to the changing requirements and priorities of law enforcement needs in the counter-drug mission, the conferees agree that some flexibility is required to transfer funds between appropriations. The conferees further believe that the Committees must be able to track these transfers without going through the formal reprogramming process. Therefore, the conferees direct that the Department submit an exhibit along with the submission of the Amended Fiscal Year 1993 request showing fiscal year 1992 enacted, fiscal year 1992 estimate, and fiscal year 1993 request for each project by appropriation. The fiscal year 1992 budget request, House and Senate actions, and enacted columns follow:

Proj. No.	Appropriation	Budget	House	Senate	Conference	Change
2000	Reserve personnel, Army: Support	$5,600	$5,600	$5,600	$5,600	0
	Subtotal, RPA	5,600	5,600	5,600	5,600	0
3000	Reserve personnel, Navy: Support	3,500	3,500	3,500	3,500	0
	Subtotal, RPN	3,500	3,500	3,500	3,500	0
3050	Reserve personnel, MC: Support	1,100	1,100	1,100	1,100	0
	Subtotal, RPMC	1,100	1,100	1,100	1,100	0
4000	Reserve personnel, AF: Support	2,000	2,000	2,000	2,000	0
	Subtotal, RPAF	2,000	2,000	2,000	2,000	0
7403	Nat'l Gd per, Army: Support: State plans	96,577	96,577	96,577	96,577	0
	Subtotal, NGPA	96,577	96,577	96,577	96,577	0
	Nat'l Gd per, AF Support:					
*4104	NORAD support	567	567	567	567	0
*4120	LANT radars	2,381	2,381	2,381	2,381	0
7403	State plans	13,116	13,116	13,116	13,116	0
7404	OPS support	6,800	6,800	6,800	6,800	0
7405	Alert dets	2,500	2,500	2,500	2,500	0
	Subtotal, NGPAF	25,364	25,364	25,364	25,364	0
	Subtotal, personnel	134,141	134,141	134,141	134,141	0
	O&M, Army:					
2101	CMS Comm tier I	4,334	4,334	4,334	4,334	0
2105	FORSCOM Adnet	520	520	520	520	0
2107	CMS Tier II	5,558	0	5,558	5,558	0
*2302	Southcom (DMS I)	1,700	0	1,700	1,700	0
*2306	SASS #2 USLANTCOM	8,100	8,100	8,100	8,100	0
2307	CINCARLANT support	40	40	40	40	0
*2311	SASS 3 & 4	16,200	0	16,200	0	−16,200
*2312	SASS #1 USSOUTHCOM	10,900	10,900	10,900	10,900	0
*2314	Air Recce Low	12,573	0	12,573	12,573	0
*2319	Tactical analysis teams	461	461	461	461	0
*2324	JTF-4 Cefirm Leader	500	500	500	500	0
*2325	HTF-4 Quardrail ops	2,000	2,000	2,000	2,000	0
2328	USARPAC Reg Spt	625	0	0	0	−625
2336	USCINCFOR Adnet	75	75	75	75	0
2338	Army anti-drug cell	250	250	250	250	0
2346	USEUCOM travel	35	35	35	35	0
2348	EUCOM C3I upgrade	4	4	4	4	0

Proj. No.	Appropriation	Budget	House	Senate	Conference	Change
*2352	AIA support	2,192	2,192	2,192	2,192	0
2357	SOUTHCOM C3 Upgrade	13,192	0	0	0	−13,192
2403	Southcom PYSOPS	400	0	0	0	−400
2411	USARSO Cmd Spt	1,000	0	0	0	−1,000
*2414	JTF-4 OV-1 ops	1,250	1,250	1,250	1,250	0
*2415	Mil group spt-TAT	2,500	2,500	2,500	2,500	0
2416	Army Cmd Spt	700	0	0	0	−700
2420	TADIL-A	213	213	213	213	0
2422	CINCFOR Army spt	300	300	300	300	0
*2429	FORSCOM/JTF-6 Ops	7,191	1,191	7,191	1,191	−6,000
2435	JTF-6 training spt	19,722	19,722	19,722	19,722	0
*2439	Intel Ops Tier II	1,800	1,800	1,800	1,800	0
*2440	Cmd & Mgt Sys (CMS)	3,300	3,300	3,300	3,300	0
2444	USARSO Aviation Spt	3,708	0	0	0	−3,708
	Aerostats—Coast Guard			21,200	19,400	19,400
	General reduction			−10,000	−10,000	−10,000
	OPTEMPO*	19,984	19,984	19,984	19,984	0
	Demand reduction	52,900	52,900	52,900	52,900	0
	Subtotal, O&M Army	194,227	132,571	185,802	161,802	−32,425
	O&M, Navy:					
3104	Lant planning/coord	78	78	78	78	0
3110	PHM Link 11	200	200	0	0	−200
3202	JTF-4 Comm connectivity	2,544	2,544	2,544	2,544	0
3204	PACOM support	1,176	1,176	1,176	1,176	0
3207	Caribroc comm	600	600	600	600	0
*3210	JMIE computer cost	1,200	1,200	1,200	1,200	0
*3301	JTF-4 (GDIP)	1,275	1,275	1,275	1,275	0
*3302	JTF-5 (GDIP)	1,125	1,125	1,125	1,125	0
*3306	JTF-4 Fision ctr	3,180	3,180	3,180	3,180	0
*3309	JTF-5 Fusion ctr	2,905	2,905	2,905	2,905	0
*3317	Comm spt processor	120	120	120	120	0
*3339	JMIE data acq	675	675	675	675	0
*3356	JMIE core upgrade	100	100	100	100	0
*3358	Div N-Opintcen	7,007	7,007	7,007	7,007	0
*3361	NYIC data base expand	2,388	2,388	2,388	2,388	0
*3372	JTF-4 Fusion ctr manpow	553	553	553	553	0
*3391	Jnt maitime intel	43	43	43	43	0
*3392	Flt image spt team III	378	378	378	378	0
*3406	Rdr man providenciales	810	810	810	810	0
3410	JTF-4 physical security	230	230	230	230	0
3417	JTF-4 operations manpow	448	448	448	448	0
3427	JTF-4 staff support	1,128	1,128	1,128	1,128	0
	E-2C—Coast Guard			13,200	12,180	12,180
	OPTEMPO	195,537	195,537	195,537	195,537	0
	Demand reduction	31,261	31,261	31,261	31,261	0
	Subtotal, O&M Navy	254,961	254,961	267,961	266,941	11,980
	O&M, MC:					
3415	Riverine craft	2,300	0	2,300	2,300	0
3432	Riverine dfts	2,600	0	2,600	2,600	0
*3345	Thermal imager	5	5	5	5	0
	OTEMPO	2,600	2,600	2,600	2,600	0
	Demand reduction	3,300	3,300	3,300	3,300	0
	Subtotal, O&M MC	10,805	5,905	10,805	10,805	0
	O&M, AF:					
4104	NORAD support	3,059	3,059	3,059	3,059	0
*4110	Aerostats	7,467	7,467	7,467	7,467	0
*4116	Aerostats—Customs	37,100	37,100	37,100	37,100	0
	Aerostats—Coast Guard	0	23,250	23,900	23,120	23,120
*4120	LANT dep radars	9,618	9,618	9,618	9,618	0
*4123	JEWC spt	635	635	635	635	0
*4207	CRBN	33,900	33,900	33,900	33,900	0
*4212	Airbrn cd info sys (ACI)	200	200	200	200	0
*4360	CE/SO am imagery	1,900	1,900	1,900	1,900	0
4411	Mil working dogs	800	800	800	800	0
*4419	Radar support	15,600	15,600	15,600	15,600	0
4420	AFOSI support	1,940	1,940	1,940	1,940	0
4431	TAC ops spt	7,837	7,837	7,837	7,837	0
4432	SAC ops spt	1,902	1,902	1,902	1,902	0
4499	Civil Air Patrol	1,000	1,000	1,000	1,000	0
	OPTEMPO	55,915	55,915	55,915	55,915	0
	Demand reduction	6,700	6,700	6,700	6,700	0
	Subtotal, O&M AF	185,573	208,823	209,473	208,693	23,120
	O&M, Defense Agencies:					
1102	JOTS/VIDS (Adnet)	3,600	3,600	3,600	3,600	0
*1363	Tector port	109	109	109	109	0
*1401	MC&G support	25,000	25,000	10,000	15,000	−10,000
*1404	Throttle car	1,550	1,550	1,550	1,550	0
*1406	Adnet intel upgrade	2,000	0	2,000	0	−2,000
5202	C3I network	4,700	4,700	4,700	4,700	0
6404	SOCOM Riverine support	900	900	900	900	0
6415	SOC CINC support	2,850	2,850	2,850	2,850	0
9401	OSD support	6,210	6,210	6,210	6,210	0
9402	Joint staff support	369	369	369	369	0
	Classified programs	32,645	32,645	32,645	32,645	0
	OPTEMPO (SDC)	3,300	3,300	3,300	3,300	0
	Demand reduction	1,382	1,382	1,382	1,382	0
	NDIC	0	10,000	0	10,000	10,000
	Subtotal, O&MDA	84,615	92,615	69,615	82,615	−2,000
	O&M, Army Reserve:					
2000	Support	3,500	3,500	3,500	3,500	0
2435	JTF-6 Reserves	3,078	3,078	3,078	3,078	0
	OPTEMPO	3,582	3,582	3,582	3,582	0
	Demand reduction	700	700	700	700	0
	Subtotal, O&M AR	10,860	10,860	10,860	10,860	0
	O&M, Navy Reserve:					
3000	Support	2,500	2,500	2,500	2,500	0

Proj. No.	Appropriation	Budget	House	Senate	Conference	Change
*3310	LANTCOM	51	51	51	51	0
	OPTEMPO	1,563	1,563	1,563	1,563	0
	Demand reduction	239	239	239	239	0
	Subtotal, O&M NR	4,353	4,353	4,353	4,353	0
3050	O&M, Marine Corps Res: Support	1,300	1,300	1,300	1,300	0
	Subtotal, O&M MCR	1,300	1,300	1,300	1,300	0
	O&M, Air Force Res:					
4000	Support	1,900	1,900	1,900	1,900	0
	OPTEMPO	1,038	1,038	1,038	1,038	0
	Subtotal, O&M AFR	2,938	2,938	2,938	2,938	0
	O&M, Army National Guard: Support:					
7403	State plans	27,515	27,515	27,515	27,515	0
	OPTEMPO	11,996	11,996	11,996	11,996	0
	Demand reduction	5,400	5,400	5,400	5,400	0
	Subtotal, O&M ARNG	44,911	44,911	44,911	44,911	0
	O&M, Air National Guard: Support:					
7403	State plans	4,627	4,627	4,627	4,627	0
7404	Operations spt	300	300	300	300	0
7405	Alert det	2,637	2,637	2,637	2,637	0
	OPTEMPO	6,642	6,642	6,642	6,642	0
	Subtotal, O&M ANG	14,206	14,206	14,206	14,206	0
	OPTEMPO			−35,000	−20,875	−20,875
	Demand reduction			−10,000	−10,000	−10,000
	LEA support.					
	Subtotal O&M	808,749	773,443	777,224	778,549	−30,200
	Procurement: Other, Army:					
2101	CMS Comm Tier I	600	600	600	600	0
2105	FORSCOM Adnet	180	180	180	180	0
2107	CMS Comm Tier II	6,500	0	6,500	6,500	0
*2319	Tactical Analysis teams	60	60	60	60	0
2357	SOUTHCOM C3 Upgrade	3,000	0	0	0	−3,000
*2429	FORSCOM/JTF–6 Ops	6,800	4,500	6,800	4,500	−2,300
2444	USARSO Aviation support	500	0	0	0	−500
	General reduction			−6,500	0	0
	Subtotal, Other Army	17,640	5,340	7,640	11,840	−5,800
	Aircraft, Navy: HH–60 Helicopter	0	0	0	30,000	30,000
	Subtotal, Aircraft Na	0	0	0	30,000	30,000
	Other, Navy:					
3204	PACOM support	100	100	100	100	0
*3309	JTF–5 fusion center	500	500	500	500	0
*3339	JMIE data acq	75	75	75	75	0
*3356	JMIE core upgrade	400	400	400	400	0
*3361	NTIC data base expand	228	228	228	228	0
	Subtotal, Other Navy	1,303	1,303	1,303	1,303	0
	Marine Corps:					
*3345	Thermal imager	600	600	600	600	0
*3399	Tac remote sensor	10,325	10,325	10,325	10,325	0
3415	Riverine craft	3,000	0	3,000	3,000	0
	Subtotal, Marine Corp	13,925	10,925	13,925	13,925	0
	A/C Air Force:					
*4212	Airbrn cd info sys (ACI	3,000	3,000	3,000	3,000	0
*4350	Classified	2,305	2,305	2,305	2,305	0
	Subtotal, Aircraft AF	5,305	5,305	5,305	5,305	0
	Other Air Force:					
4127	Air traffic coord	3,580	3,580	3,580	3,580	0
*4207	CRBN	13,000	13,000	13,000	13,000	0
4420	AFOSI support	350	350	350	350	0
	Subtotal, Other AF	16,930	16,930	16,930	16,930	0
	Defense Agencies:					
1102	JOTS/VIDS	300	300	300	300	0
*1363	Tector port	1,500	1,500	1,500	1,500	0
*1404	Throttle car	2,500	2,500	2,500	2,500	0
*1406	Adnet intel upgrade	5,000	0	5,000	0	−5,000
5202	C3I integration	5,000	5,000	5,000	5,000	0
6404	Southcom riverine spt	1,100	1,100	1,100	1,100	0
	NDIC	0	20,000	0	20,000	20,000
	Classified projects	45,218	45,218	45,218	45,218	0
	Subtotal	60,618	75,618	60,618	75,618	15,000
	Natl Gd & Res Equip:					
2000	Army Reserve	3,000	3,000	3,000	3,000	0
3000	Navy Reserve	3,000	18,000	3,000	3,000	0
3050	MC Reserve	1,500	1,500	1,500	1,500	0
4000	AF Reserve	3,000	3,000	3,000	3,000	0
7402	ARNG—State	0	0	0	0	0
7403	ANG—State	12,590	12,590	12,590	12,590	0
	Subtotal, NG&RE	23,090	38,090	23,090	23,090	0
	Total Procurement	138,811	153,511	128,811	178,011	39,200
	RDT&E Army:					
*2312	SASS 1 USSOUTHCOM	3,800	3,800	3,800	3,800	0

Proj. No.	Appropriation	Budget	House	Senate	Conference	Change
*2314	Airborne recce low	5,000	0	5,000	5,000	0
	Subtotal, R&D Army	8,800	3,800	8,800	8,800	0
	RDT&E, Navy:					
3415	Riverine craft	100	100	100	100	0
	Subtotal, R&D Navy	100	100	100	100	0
	RDT&E, Air Force:					
4211	AWACS adaptive HF	6,000	6,000	6,000	6,000	0
*4212	Airbrn info (ACIS)	2,500	2,500	2,500	2,500	0
	Subtotal, R&D AF	8,500	8,500	8,500	8,500	0
	RDT&E, Defense Agencies:					
*1363	Tector port	2,000	2,000	2,000	2,000	0
1402	Info sys arch	1,000	1,000	1,000	1,000	0
1403	R&D	30,000	35,000	30,000	35,000	5,000
*1405	Passive cohernt loc	3,873	3,873	3,873	3,873	0
*4227	OTH test bed	0	8,000	0	6,000	6,000
	NDIC	0	10,000	0	10,000	10,000
	Classified	22,626	22,626	22,626	22,626	0
	Subtotal, R&D DA	59,499	82,499	59,499	80,499	21,000
	Total R&D	76,899	94,899	76,899	97,899	21,000
7403	NG State Plans					
	Grand Total	1,158,600	1,155,994	1,117,075	1,188,600	30,000

Formal reprogramming procedures will need to be followed for new starts or any adjustments to Congressional interest items.

GENERAL REDUCTIONS

The conferees agree to take general reductions for OPTEMPO and Demand Reduction in order to provide flexibility to the Department in allocating the reductions. None of these reductions should be taken against the National Guard or Reserve programs. It is not the conferees intent to unduly restrict the counter-narcotics operating missions. Therefore, even though the OPTEMPO reduction is a Congressional adjustment, the conferees agree to allow the Department flexibility in restoring OPTEMPO funds from within this appropriation as an exception to the reprogramming policy stated above. A breakout of how these reductions have been distributed should be provided to the Committees along with the submission of the Amended fiscal year 1993 budget request.

The $10,000,000 general reduction in Operation and maintenance, Army shall not be assessed against any programs other than Tactical Intelligence and Intelligence-Related (TIARA) programs.

NATIONAL GUARD AND RESERVES

Mobile Inshore Underwater Warfare (MIUW) Vans. The conferees agree to fund the upgrade to the MIUW vans in the National Guard and Reserve Equipment appropriation.

Demand reduction. The conferees agree with Senate language that an aggressive demand reduction program by the National Guard accrues enormous benefits to the States and that the Department should align a larger portion of its program to support central direction and management of the State plans in order to ensure an effective and consistent program. The conferees further believe that the Department should provide demand reduction funding directly to the States through their State plans. However, this additional funding should not be offset by reductions in the 1992 State plans.

The New Mexico National Guard has been in the forefront of developing and implementing a demand reduction plan on a volunteer basis. The Department should review their program to see whether it should be considered as a model for other States. In addition, the conferees recommend that the New Mexico National Guard conduct a pilot program to rehabilitate youth offenders as an extension of their community relations program.

National Interagency Counter-drug Institute (NICI). The National Interagency Counter-drug Institute (NICI) provides inoperability training among military, federal, state, and local law enforcement personnel in domestic counter-narcotics operations. The conferees believe NICI should be removed from the California State plan and become a permanent, long-term commitment at the national level. Therefore the Department should make available whatever resources are required to staff NICI with a full-time cadre for instruction, coordination and management of the program. Priority consideration should be given to assigning personnel currently associated with NICI in order to maintain continuity of operations. Any future assignments should be competitive.

The ceiling on Active Guard/Reserve positions in Section 8015 has been adjusted to include 20 for the Army National Guard and 5 for the Air National Guard.

Multi-Jurisdictional Task Force Training. The conferees are aware of the need to further assist federal, state and local law enforcement in using the resources available from the National Guard in coordinated efforts which often cross jurisdictional lines. Therefore, the conferees direct the Florida National Guard to execute a need-based, regionally responsive, multi-jurisdictional counter-drug operations training program in order to increase access to military resources and interagency coordination in counter-drug operations and to establish a database of training requirements for successful operational strategies.

Within thirty days after enactment of this Act, the Department is to transfer $1,000,000 through the National Guard Bureau to the Florida National Guard to establish such a training program and database.

Armored Wheeled Vehicles. In fiscal year 1991, the Department was directed to evaluate the use of armored wheeled vehicles in the drug interdiction mission of the Army National Guard. Because of Operation Desert Shield/Storm, the vehicles were not delivered to the Guard until August 1991, which was after the prime drug production season. The conferees therefore direct the Department to extend the evaluation through December 31, 1992 and to report back to the Committees on Appropriations no later than March 1, 1993. In addition, the conferees direct the Department to provide sufficient funds for this evaluation, which is to include night vision capability.

COAST GUARD AEROSTATS AND E-2CS

The conferees agree to provide $54,700,000 for the operation of the land- and sea-based aerostats and E-2C aircraft formerly operated by the United States Coast Guard. This amount reflects the fiscal year 1992 operating costs of these assets from October 29, 1991, forward as well as a $7,000,000 enhancement to allow for the operation of three additional land-based aerostats as requested in the Administration's fiscal year 1992 budget for the Coast Guard. The conferees are aware that while the E-2C aircraft have been transferred back to the Navy, the Coast Guard will operate the land- and sea-based aerostats at Department of Defense expense through November 30, 1991, under the provisions of a Memorandum of Agreement. The conferees direct that the Department of Defense take complete operational control of these assets through an orderly transition process as soon as possible. In addition, the conferees expect the Department to budget for the operation of these programs in fiscal year 1993 and beyond.

Since it should be cost-effective for the Department of Defense to operate these systems, any savings generated may be applied to other approved programs.

CUSTOMS AEROSTATS

The conferees agree that the completion of the radar surveillance network in the Gulf of Mexico and the Caribbean is essential to our national drug interdiction efforts and that the southern border network be completed without further delay. Therefore, bill language has been included which directs the Department of Defense to transfer $60,000,000 in prior year funding from "Missile Procurement, Air Force" to the Drug Interdiction account in order to procure these aerostat radar systems. Of the $60,000,000 provided, the conferees direct the Department to transfer, not later than thirty days after enactment of this Act, such funds as required to the United States Customs Service in order to award, implement, and to facilitate the procurement of no fewer than four aerostat radar systems to be established at predetermined sites at Matagorda Island, Texas; Morgan City, Louisiana; Great Inagua Island; and Horseshoe Beach, Florida.

HH-60J HELICOPTER

The conferees believe that the HH-60J has unique night vision and radar detection capabilities which can provide a strong weapon

for detecting small craft smuggling drugs into the United States. Therefore, the conferees agree to provide $30,000,000 for the procurement of one HH-60J. In order to aid the process of interoperability, this airframe should be configured in the same manner as the helicopters operated by the Coast Guard. Additionally, the conferees agree that at the discretion of the Secretary of Defense, this HH-60J may be provided to the Coast Guard in order to support their drug interdiction operations.

CIVIL AIR PATROL

The conferees agree that the Department should adhere to direction provided in both the House and Senate reports. This guidance should be incorporated into DOD guidelines for use of the Civil Air Patrol in drug interdiction missions so that the Committees do not need to address this issue in future years.

COMMERCIAL RECONNAISSANCE

The conferees direct the Department to examine the potential application of commercial reconnaissance and C-3 aircraft with real-time satellite video relay and integral remotely piloted vehicle capabilities in drug interdiction roles. If so warranted, the conferees encourage the Department to budget funds in fiscal year 1993 for a demonstration program, to include operational flight hours in support of Defense Department drug interdiction activities. The results of this examination should be provided to the Committees on Appropriations no later than March 31, 1992.

GULF STATES COUNTER-NARCOTICS INITIATIVE

The conferees agree to provide $7,500,000 and direct the Department of Defense to begin implementation of the Gulf States Counter-Narcotics Initiative as submitted to the Department of Defense on May 15, 1991. The conferees believe this unique multi-state effort is critical to eventually establishing a truly coordinated national program along all of our borders.

The conferees direct the Department to report back by February 1, 1992 to the Committees on Appropriations on actions taken and proposed to be taken to implement the Gulf States Counter-Narcotics Initiative.

INTELLIGENCE AND INTELLIGENCE-RELATED PROGRAMS

See the classified report for details on these adjustments.

Amendment No. 106: Deletes House language which makes $22,290,000 subject to authorization; inserts language transferring $60,000,000 from "Missile Procurement, Air Force, 1991/1993" to the "Drug Interdiction and Counter Drug, Defense" account in order to procure no fewer than four aerostat radar surveillance systems, and inserts language earmarking $7,500,000 for the Gulf States Counter-Narcotics Initiative.

OFFICE OF THE INSPECTOR GENERAL

Amendment No. 107: Appropriates $115,900,000 for operation and maintenance and $300,000 for procurement, in all $116,200,000, instead of $121,600,000 for operation and maintenance and $300,000 for procurement as proposed by the House and $116,200,000 for operation and maintenance as proposed by the Senate.

Amendment No. 108: Deletes House provision making a portion of the appropriation subject to authorization.

TITLE VII—RELATED AGENCIES

INTELLIGENCE COMMUNITY STAFF

Amendment No. 109: Appropriates $28,819,000 as proposed by the Senate, instead of $30,719,000 as proposed by the House.

NATIONAL SECURITY EDUCATION TRUST FUND

Amendment No. 110: Provides $150,000,000 for the National Security Education Trust Fund, instead of $180,000,000 as proposed by the Senate and no funding as proposed by the House.

TITLE VIII—GENERAL PROVISIONS

Amendment No. 111: Provides $1,500,000,000 as the ceiling on transfer authority available to the Department of Defense instead of $3,000,000,000 as proposed by the House and $1,000,000,000 as proposed by the Senate.

Amendment No. 112: Inserts Senate language which allows transfer of working capital funds into the Foreign Currency Fluctuations, Defense and Operation and Maintenance appropriation accounts.

Amendment No. 113: Deletes House language and amends Senate language on heating systems for Defense facilities in the Federal Republic of Germany.

COAL

The conferees continue to be concerned that U.S. military installations in Kaiserslautern, Federal Republic of Germany, be provided with cost-effective, environmentally sound, reliable heating.

The conferees have agreed that the Air Force may implement cost-effective agreements to modernize heating facilities in the Kaiserlautern Military Community, provided such agreements include the use of United States anthracite coal as the base load energy for municipal district heat to the United States defense installations. The conferees direct that the Air Force report to the Committees on Appropriations every ninety days on progress made toward concluding these agreements.

Since existing and operating district heat systems are not in place at the neighboring communities of Landstuhl and Ramstein-Miesenbach, the conferees have agreed that furnished heat may be obtained from private or municipal services at Landstuhl Army Regional Medical Center and Ramstein Air Base, if provision is made for consideration of United States coal as an energy source. The conferees believe that, if energy acquisition agreements are reached which do not provide for the use of U.S. coal for systems providing heat to the U.S. military installations in Landstuhl and Ramstein-Miesenbach, the Air Force should consider negotiations with the municipal authorities in those two locations for an off-set plan for the use of U.S. coal at other locations in the Federal Republic of Germany.

In addition, since the conferees believe that the United States Air Forces in Europe (USAFE) will make a good faith effort to work with the local communities to solve the heating problems of Kaiserslautern Military Community, the $2,000,000 reduction proposed by the House is waived.

Amendment No. 114: Inserts Senate language which changes notification time from thirty days to thirty calendar days in session.

Amendment No. 115: Restores House language which places a floor on military (civilian) technicians, places a ceiling on Active Guard/Reserve (AGR) personnel, and exempts military (civilian) technicians from civilian end strength ceilings and administratively imposed freezes on civilian personnel, and inserts Senate language which requires the Department of Defense to treat governments of native American tribes as local and State governments for purposes of disposing of real property under the provisions of the Base Closure and Realignment Acts.

Amendment No. 116: Restores House language which prohibits management of Department of Defense civilian personnel on the basis of end strength and requires that the 1993 budget not be based on end strength, and deletes Senate language which placed a ceiling on civilian workyears in the Department of Defense.

Amendment No. 117: Restores House language which requires that technicians in the administration and training of the Army Reserve must be members of the unit or in some cases the selected reserve, and inserts Senate language which makes funds available to purchase petroleum products in Israel to meet emergency and other military needs of the United States and Israel.

Amendment No. 118: Deletes House language on wound research, and inserts Senate language which terminates the Army Central Hospital Fund and establishes an appropriated trust fund for the operation and maintenance of "Fisher Houses."

The conferees agree to delete House language which prohibited the use of funds to purchase or use dogs or cats for the purpose of training Department of Defense students or other personnel in surgical or other medical treatment of wounds since it is permanent law.

Amendment No. 119: Deletes House language which placed annual cap of 250 Pacific Island patients eligible for treatment at Tripler Army Medical Center since more patients can be treated for the same funding level.

Amendment No. 120: Restores House language concerning procurement of 120mm mortar and 120mm mortar ammunitions, and inserts Senate language which repeals a section in last year's Act which required the acquisition of depleted uranium.

120MM MORTAR

The conference agreement includes a House provision, stricken by the Senate, which requires that 120mm mortars and ammunition be manufactured in the United States. The conferees interpret this language to include components and subcomponents of this system. This interpretation is consistent with requirements which have been part of the system contract for this program since 1987 and with Army interpretation of these contract requirements since then.

Amendment No. 121: Deletes House language prohibiting obligation of funds to deploy the Composite Health Care System (CHCS) beyond initial alpha and beta sites until system development is completed.

Amendment No. 122: Restores and amends House language concerning the CHAMPUS Reform Initiative.

Amendment No. 123: Inserts Senate language which requires the Department of Defense to submit an O-1 justification book detailing funding proposals in the operation and maintenance accounts.

Amendment No. 124: Deletes Senate language which would have relaxed the prohibition on the use of Government-furnished equipment, operating systems, and executive and applications software in the Reserve Component Automation System (RCAS).

SOFTWARE REUSE

The conferees commend the Army for its initiative to establish the Reusable Ada Products for Information Systems Development (RAPID) software library. This effort demonstrates potential for productivity improvements in software development. The conferees direct the Secretary of the Army to submit a detailed plan to the Appropriations Committees by September 1, 1992 which describes how software could be reused once developed for information, command and

control, or weapon systems and their associated automated support equipment. The plan should address, at a minimum: the concept and operation of the RAPID library with details of its planned content and schedule; the criteria for identifying software for reuse; the criteria for revalidating it for a new application; who is responsible for determining software reuse in major systems; how contractors are to be reimbursed for their legitimate costs of searching, validating, and incorporating government furnished software into major systems already under contract and whether it is optional or mandatory for them; and the anticipated benefits. In the area of information systems, the Army should identify specific software applications in the Sustaining Base Information System, the Reserve Component Information System, Installation Support modules, Standard Army Management Information Systems, or PERMS/ARPERCEN that could be incorporated into any of the other systems during 1993 along with the amount of funds that could be saved in fiscal year 1993 by so doing. The conferees are not opposed to reevaluating the current prohibition on government furnished software in the RCAS acquisition if the following conditions are met: specific software routines of applications have been identified and reviewed by the Reserve Component; the functionality for these routines is not already under contract and/or started development; the RCAS source selection official certifies to Congress in writing that specific existing software routines are desired by the Reserve community for incorporation into RCAS; the Secretary of the Army certifies that incorporation of this software into RCAS will not adversely affect program cost or schedule; and the RCAS source selection official identifies what contractual changes would be necessary. The conferees remind the Army that software developed for other Army systems which does not duplicate items in the RCAS functional description is not subject to the Congressional prohibition on government furnished software, and may be run on RCAS computers in the future once they are fielded.

Amendment No. 125: Restores House language which prohibits funds to purchase certain molded shipboard anchor and mooring chains outside the United States, and inserts and amends Senate language to require the Department to procure a minimum of 75 percent of coal and petroleum carbon fiber from domestic sources by 1994.

Amendment No. 126: Insert Senate language which changes the notification time from twenty legislative days to twenty calendar days in session.

Amendment No. 127: Restores and amends House language which reduces DOD funding by $300,000,000 to reflect savings resulting from decreased use of consulting services, and deletes Senate language which reduced DOD funding for automated data processing development and modernization.

Amendment No. 128: Deletes House language on Hamilton Air Force Base, and inserts Senate language which places a ceiling on the number of civilian workyears that the Department of Defense may fund overseas. The environmental cleanup at Hamilton Air Force Base is addressed at Amendment No. 187.

Amendment No. 129: Restores House language concerning Naval ADP and personnel actions, and inserts Senate language which appropriates funds and provides transfer authority for Corporate Information Management.

NAVAL ADP AND PERSONNEL ACTIONS

The conferees agree to prohibit certain Naval ADP and personnel actions until 60 days after the Defense Department submits a report under the requirements, terms and conditions specified in section 8049 and the House Report (H.R. 102-95, pages 72-73). The conferees direct the General Accounting Office to certify in writing that any Department of Defense or Navy report or plan is cost effective and meets the requirements, terms and conditions in section 8049 and the House report. If the GAO certifies and the Committees on Appropriations agree that the plans or report are not cost effective and do not meet the requirements, terms and conditions specified above, it is the conferees firm intent that the Department of Defense or Navy not proceed with any consolidations, transfers, or reductions impacting the commands, functions and activities specified in section 8049 and the House report until the GAO has submitted to the Committees on Appropriations its complete review comments on these Department of Defense or Navy reports or plans. These GAO review comments must address the requirements, terms and conditions specified in section 8049 and the House report.

The conferees also agree to the consolidation of Corporate Information Management (CIM) related development and modernization funding into a centralized account under the direction of the Department's Senior Information Resource Management official.

Amendment No. 130: Deletes Senate language authorizing the Department to charge higher coinsurance payments unless beneficiaries enroll in a health care plan.

The conferees have deleted without prejudice a Senate provision authorizing the Department to charge higher coinsurance payments. The conferees agree that steps are needed by the Department to control rapidly escalating medical costs, but that until future managed care medical options are available to beneficiaries, this change should not be granted.

Amendment No. 131: Restores and amends House language concerning Letterkenny Army Depot, and inserts Senate language which makes certain business enterprises eligible under the Mentor-Protege pilot program.

LETTERKENNY ARMY DEPOT

It is not the intention of the conferees to impede the realignment of the Systems Integration Management Activity and Headquarters, Depot Systems Command but to ensure that the Army's plan to establish the Joint Missile Service mission at Letterkenny Army Depot is implemented.

MENTOR PROTEGE PROGRAM

The conference agreement provides $30,000,000 for the Pilot Mentor-Protege program for fiscal year 1992, as proposed by the Senate. The conferees believe that the Army's Family of Medium Tactical Vehicles (FMTV) is a program which may be well-suited for development of a mentor-protege relationship pursuant to section 831 of the fiscal year 1991 Defense authorization act. Under this program, technically qualified, experienced small disadvantaged businesses, including tribal-owned entities, would be made capable of performing subcontracts and supply contracts as proteges. The conferees request the Army to consider providing funding and authority to the FMTV program manager to ensure that the prime contractor is reimbursed for mentor developmental and other costs of protege assistance under any mentor-protege agreements that are reached. If deemed appropriate, the FMTV program funds expended for mentor costs shall be reimbursed from funds specifically appropriated for the Pilot Mentor-Protege Program. The conferees expect the Army to provide a report by July 1, 1992 on the progress of the Army and the contractor in establishing a pilot mentor-protege relationship with the FMTV program.

Amendment No. 132: Restores House language which limits the funds for relocation of an organization, activity or function into or within the National Capital region, and inserts and amends Senate language to cap the Fort Bragg mental health demonstration project at $14,500,000.

MENTAL HEALTH DEMONSTRATION

The conferees have supported the Fort Bragg Mental Health Demonstration Project since its inception. The cost of this project, however, has grown at an alarming rate. Therefore, the conferees have agreed to a "cap" on the Fort Bragg mental health demonstration project, as proposed by the Senate, which equates to the fiscal year 1991 level of effort, plus adjustments for normal and reasonable price and program growth at Fort Bragg. The conferees direct the Department of the Army to work closely with the contractor at Fort Bragg to identify efficiencies which will continue to allow the treatment of eligible beneficiaries. The conferees want to emphasize that this limitation should in no way be construed to mean that the Department can deny eligible beneficiaries service if this limitation is reached. Instead, the Department must provide alternative in-house, cost-effective care for eligible beneficiaries.

The conferees also understand that the project evaluation has been delayed because of problems in obtaining CHAMPUS cost data and information at the comparison sites of Fort Campbell and Fort Stewart. The Department shall provide the necessary assistance to the project to ensure that necessary data and access to information regarding comparison sites are provided in a timely manner.

It has been impossible to determine whether increases at Fort Bragg have been caused by substantial increases in the client population as opposed to the cost per patient served, or the stress associated with the large troop deployments from this catchment area for Operation Desert Shield/Storm.

Amendment No. 133: Deletes House language and restores and amends Senate language concerning the end strength and force structure of the National Guard and Reserve Components.

See the write-up on Guard and Reserve force structure earlier in this statement.

Amendment No. 134: Restores House language which prohibits the closure of a medical treatment facility until the Congress is provided ninety days prior notice, and inserts Senate language whch earmarks funds for the National Defense Science and Engineering Graduate Fellowships.

Amendment No. 135: Deletes House language providing for the closure of the Uniformed Services University of the Health Sciences, and inserts Senate language which places limits on the financing of grants from unobligated balances available in the National Defense Stockpile Transaction Fund, and inserts and amends Senate language which places restrictions on contracting with foreign persons, companies, or entities that support the Arab boycott of Israel.

The conferees agree with the Senate position that the Uniformed Services University of the Health Sciences (USUHS) be maintained as the Department's university for

medical training, and with the House position that the Department rename medical scholarship programs after former Representative F. Edward Hébert.

Amendment No. 136: Makes a technical change as proposed by the Senate to adjust wages rates for civilian health care employees.

Amendment No. 137: Restores and amends House language which prohibits the Department from reducing medical personnel at certain locations below authorized levels for fiscal year 1991, and inserts and amends Senate language concerning installation of modification equipment.

HEALTH CARE PERSONNEL

The conferees agree that health care personnel should not be reduced at certain locations just because a base may be undergoing a partial closure or realignment. The Department needs to carefully study the true cost of providing health care at these locations before any personnel changes are made.

INSTALLATION OF MODIFICATION EQUIPMENT

The budget proposed a general provision which allowed obligations in expired procurement appropriations for the installation of modification equipment. Beginning in fiscal year 1990 such costs were funded in the procurement appropriations in the year in which the modification equipment itself was funded. Previously, these costs were funded in operation and maintenance in the year of installation. The House bill did not include this provision. The Senate bill included a modified version.

The conferees believe that obligations for both procurement and installation of modification equipment should be possible within the normal three-year availability of procurement appropriations, if these accounts are properly managed. Difficulties experienced in achieving obligations before appropriation expiration probably come mainly from insufficient management attention to these programs. However, the conferees recognize that during the first year of implementation of the new funding policy (fiscal year 1990) some legitimate problems were and continue to be encountered. The conference agreement, therefore, includes a modified version of the budget proposal. The conference provision includes a one-time, one-year extension for fiscal year 1990 procurement appropriations only for the installation of equipment for which procurement obligations were made before the appropriation expired. The conferees direct that such obligations amount to not more than $600 million and that they be managed by the Comptroller of the Office of the Secretary of Defense. Regular reports of these obligations shall be submitted to the committees. The conferees expect that this provision will not have to be repeated in future years.

Amendment No. 138: Rescinds $1,102,585,000 of prior year funds instead of $1,807,400,000 as proposed by the House and $28,785,000 as proposed by the Senate. The conferees agree to rescind the funds as follows:

RESCISSIONS

	House	Senate	Conference
Procurement of Weapons and Tracked Combat Vehicles, Army, 1990/1992: M–1 Tank (contingencies)	$10,000,000	0	$10,000,000
Total	10,000,000	0	10,000,000
Procurement of Weapons and Tracked Combat Vehicles, Army, 1991/1993: Bradley Mods	9,000,000	0	9,000,000

RESCISSIONS—Continued

	House	Senate	Conference
M–1 (upgrade)	64,000,000	0	64,000,000
M–1 (excess)	13,000,000	0	13,000,000
M–1 (reprogramming)	28,000,000	0	28,000,000
Total	114,000,000	0	114,000,000
Procurement of Ammunition, Army, 1991/1993:			
M577 fuze	10,700,000	0	10,700,000
HMX	13,000,000	0	13,000,000
Total	23,700,000	0	23,700,000
Other Procurement, Army, 1990/1992: Area Oriented Depot Modernization	10,300,000	0	10,300,000
Total	10,300,000	0	10,300,000
Other Procurement, Army, 1991/1993:			
Area Oriented Depot Modernization	22,200,000	0	22,200,000
Vehicle Magnetic Signature Duplicator	4,600,000	0	4,600,000
Total	26,800,000	0	26,800,000
Aircraft Procurement, Navy, 1990/1992: A–12	893,500,000	0	0
Total	893,500,000	0	0
Weapons Procurement, Navy, 1991/1993:			
Standard Missile-2	300,000,000	0	300,000,000
Drones and Decoys (ITALD)	0	0	17,000,000
Total	300,000,000	0	317,000,000
Other Procurement, Navy, 1991/1993:			
Surface Combat Systems Trainers	2,700,000	0	2,700,000
Shallow Water Active Kits	0	3,500,000	3,500,000
Total	2,700,000	3,500,000	6,200,000
Procurement, Marine Corps, 1991/1993: ADP	2,000,000	0	2,000,000
Total	2,000,000	0	2,000,000
Missile Procurement, Air Force, 1990/1992: MX Missile	0	0	16,000,000
Total	0	0	16,000,000
Missile Procurement, Air Force, 1991/1993: MX Missile	0	0	80,000,000
Total	0	0	80,000,000
National Guard and Reserve Equipment, 1991/1993: SUSV	8,000,000	0	8,000,000
Total	8,000,000	0	8,000,000
Research, Development, Test and Evaluation, Army, 1991/1992:			
Tacit Rainbow	27,000,000	10,175,000	10,175,000
FOG–M	40,000,000	0	15,000,000
Multi-Purpose Individual Munition	13,000,000	0	13,000,000
Smoke and Obscurants	3,700,000	3,700,000	3,700,000
Nuclear Munitions—Engineering Development	1,500,000	1,500,000	1,500,000
ASAT	0	0	20,000,000
Armament Enhancement Initiative	0	0	17,700,000
Total	85,200,000	15,375,000	81,075,000
Research, Development, Test and Evaluation, Navy, 1991/1992:			
NATO AAW System	15,000,000	0	0
FEWSG Competition	15,000,000	0	8,200,000
Remote Control of Mines	1,300,000	0	1,300,000
E/O Sensor	1,000,000	0	1,000,000
Directed Energy CM	4,600,000	0	4,600,000
AERMIP	1,400,000	0	1,400,000
MC Ground Combat	1,500,000	0	1,500,000
Contract Design	2,000,000	0	0
FOG-S	0	0	10,000,000
Vertical Launch ASROC	0	0	15,000,000

RESCISSIONS—Continued

	House	Senate	Conference
NOMADS	0	0	1,400,000
SQY–1	0	0	0
Submarine Combat System (EMSP)	0	0	6,300,000
LAMPS (EMSP)	0	0	3,600,000
Surfaced ASW System Improvements	0	0	14,000,000
Sea Lance	0	0	71,000,000
Navy ATF	0	0	24,100,000
Naval Gunnery Improvement	0	0	10,000,000
Total	41,800,000	0	173,400,000
Research, Development, Test and Evaluation, Air Force, 1991/1992:			
Advanced Warning System	72,000,000	0	0
Medium Launch Vehicles	20,000,000	0	20,000,000
Tacit Rainbow	30,000,000	0	27,000,000
SRAM–T	77,400,000	0	77,400,000
C–130J	0	9,910,000	9,910,000
ICBM Modernization—MX	0	0	95,500,000
Improved Capability for RDT&E	0	0	2,500,000
Total	199,400,000	9,910,000	232,310,000
Research, Development, Test and Evaluation, Defense Agencies, 1991/1992:			
LRCSOW	15,000,000	0	1,800,000
Manufacturing Technology	25,000,000	0	0
BTI	50,000,000	0	0
Total	90,000,000	0	1,800,000
Grand total	1,807,400,000	28,785,000	1,102,585,000

Amendment No. 139: Restores House language which amends a section in last year's Act on the establishment of a Commission on Defense and National Security, and deletes Senate language concerning the sale of F–15 aircraft to Saudi Arabia.

Amendment No. 140: Deletes House language which earmarks funds to transport U.S. beef to overseas commissaries, and inserts Senate language which permits the Defense Business Operations Fund to provide credits for Army and Air Force operation and maintenance customers purchasing depot level repairables.

Amendment No. 141: Restores House language providing $40,000,000 for the National Drug Intelligence Center, and amends Senate language to provide $30,000,000 for consolidation of Central Intelligence Agency facilities in the Washington, D.C. area.

The conferees have appropriated $10 million for costs associated with the land acquisition and related expenditures necessary to implement the plan developed by the Central Intelligence Agency for consolidation of facilities. The funding may not be obligated to implement the plan until a number of conditions set forth in Sec. 8083A have been met and a period of 60 days beginning on the date on which all of such conditions have been met has expired.

The conferees have appropriated $20 million above the budget request in the Agency Management Base to serve as a source of funds for a reprogramming for the Central Intelligence Agency Consolidation Plan should the Director of Central Intelligence (DCI) determine that funds in addition to the funds specifically appropriated for the consolidation plan by this Act are necessary during fiscal year 1992. If the DCI requests that all, or a portion, of the $20 million be made available, such request shall be considered pursuant to established reprogramming procedures.

Amendment No. 142: Makes a technical change as proposed by the Senate to insert "health care" for "medical."

Amendment No. 143: Deletes House language as proposed by the Senate.

Amendment No. 144: Inserts Senate language to allow health care providers to waive the CHAMPUS copayment for medical services for dependents of active duty personnel until the termination of Operation Desert Shield/Desert Storm.

Amendment No. 145: Deletes House language on Mitchel Field, and inserts and amends Senate language on Uniformed Services Treatment Facilities.

The conferees agree that it is no longer necessary to continue a House provision which provided that Mitchel Field clinic not be funded from within a congressionally imposed ceiling since the conferees have agreed to add a new congressionally imposed funding ceiling on all Uniformed Services Treatment Facilities.

Amendment No. 146: Deletes House language which established a "Foreign National Employees Separation Pay Account, Defense", and inserts and amends Senate language on the Common Airborne Instrumentation System.

Amendment No. 147: Restores a center heading.

Amendment No. 148: Restores and amends House language which establishes a phase II full scale engineering development program for the V-22 program and transfers prior year Aircraft Procurement, Navy funding to Research, Development, Test and Evaluation, Navy.

Amendment No. 149: Restores and amends House language which transfers prior year funds to cover shipbuilding cost increases.

Amendment No. 150: Restores House language which places restrictions on the procurement of Multibeam Sonar Mapping Systems not manufactured in the United States, and inserts and amends Senate language on Strategic Target Systems (STARS).

Amendment No. 151: Restores and amends House language which provides authority for the President to acquire germanium for the National Defense Stockpile, and deletes Senate language concerning oversight of Special Access Programs.

SPECIAL ACCESS PROGRAMS

The conferees are concerned about the adequacy of management of special access programs in the Department of Defense, and intend to initiate a comprehensive review of it. It connection with such review, the conferees direct the Secretary of Defense to address the feasibility, desirability, advantages and disadvantages of developing regulations intended to improve the Department's management, in the following areas:

(A) Standards and procedures for the designation of programs as special access programs.

(B) A requirement for the manager of each special access program to submit to the Secretary of Defense a reclassification schedule whern the total cost of such program is expected to exceed $50,000,000.

(C) Standards and procedures for an annual review of the classification status of each special access program by the Deputy Secretary of Defense.

(D) Standards and procedures for appropriate exchange of information within the Executive branch among technologically related programs.

(E) Standards and procedures to ensure timely oversight by Department of Defense officials with expertise in (i) cost, schedule, and performance reviews, and (ii) applicable intelligence or operational matters.

The Secretary is directed to provide a report on these matters to the appropriate Committees of the House and Senate by April 1, 1992.

Amendment Nos. 152-155: Delete House language and retain Senate language to allow the Department to implement catchment area management (CAM) demonstration projects provided each project is approved by the Assistant Secretary of Defense for Health Affairs before the demonstration begins.

The conferees have agreed to amend the House language placing a cap on the number of CAM projects which can be implemented since the Department has placed a hold on the implementation of all coordinated care projects until a financial cost review is performed by the Comptroller and the Assistant Secretary of Defense for Health Affairs to assess the future financial implications of alternative military managed health care projects.

Amendment No. 156: Restores and amends House language on medical commanders, and deletes Senate language which appropriated funds for environmental programs.

MEDICAL COMMANDER BILLETS

The conferees have revised House language to prohibit the Department from filling military medical facility commander billets with health care professionals who cannot demonstrate professional administrative skills necessary to run a complex medical facility.

The conferees agree that commander positions at any military medical facility should only be filled with a health care professional if the proposed candidate can demonstrate professional administrative skills necessary to run the facility. Formal training should be established to ensure that all commanders have consistent skills necessary for this important, complex task. The Assistant Secretary of Defense for Health Affairs should be prepared to testify during the fiscal year 1993 budget cycle on the progress made in this regard.

Amendment No. 157: Restores and amends House and Senate language on CHAMPUS disabled care.

The conferees agree that all eligible beneficiaries under age 65 should be able to receive CHAMPUS benefits regardless of illness. Therefore, a general provision and $20,000,000 have been included to correct this inequity.

COAST GUARD

Amendment No. 158: Deletes House language which exempted the United States Coast Guard from surcharges assessed against stock and industrial fund customers, and inserts and amends Senate language which provides funding for Coast Guard training and operating expenses.

Amendment No. 159: Deletes House language on acquisition personnel, and inserts Senate language prohibiting the availability of funds for certain space-based wide area surveillance projects or activities.

SPACE BASED WIDE AREA SURVEILLANCE

The conferees agree with the Senate's recommendations about funding for the space-based wide area surveillance projects requested in several Navy, Air Force, and Defense Agencies RDT&E program elements.

The conferees concur with the Senate position that the Office of the Secretary of Defense complete its assessment of alternative ways existing surveillance systems could be used to improve wartime support to combatant commanders. The conferees approve the funds sought for this study. Should the results of this study, and other available information, provide sufficient foundation, the conferees are willing to again consider budget requests by the services in fiscal years 1993 or 1994 for SBWAS technology programs.

Amendment No. 160: Inserts Senate language which changes the percentage cap of total sales from the stock funds.

Amendment No. 161: Inserts Senate language which excludes commissary items, retail operations, and the cost of operations from the cap placed on sales from stock funds.

Amendment No. 162: Restores and amends House language limiting the personnel assigned at certain Navy commands to 90 percent of those assigned as of September 30, 1991, and inserts Senate language transferring $2,500,000 from the Department of the Treasury to the Federal Emergency Management Agency.

The term "number of personnel assigned" means actual strength as of September 30, 1991.

Amendment No. 163: Restores and amends House language concerning P-3 squadrons, and inserts and amends Senate language on B-1B electronic warfare systems.

P-3 SQUADRONS/AIRCRAFT

The conferees agree to modify section 8104 as proposed by the House regarding P-3B aircraft. Under section 8035 of the Department of Defense Appropriations Act, 1991 (Public Law 101-511) and section 8034 of this Act, no funds may be obligated to modernize any equipment which is expected to be retired within five years after the completion of the modification. Further, under section 1437(c) of the National Defense Authorization Act, 1991 (Public Law 101-510), the Navy could not use any funds to operate and maintain P-3B aircraft after fiscal year 1996. In conjunction, the separate provisions proscribe the Navy from spending funds appropriated for the P-3B program. The conferees agree with the modified provision which requires the Navy to obligate funds provided in fiscal year 1991 and in this Act, notwithstanding the aforementioned sections, if the Navy intends to keep the P-3B aircraft in the fleet for five years or more.

To determine its plan for P-3B aircraft, the conferees direct the Navy to review its maritime patrol aircraft requirements and report to the Congressional defense committees on its ten-year plan for P-3 force structure, inventory and modernization by February 15, 1992. Section 8104(b) specifically states that the provisions of section 1437 of the National Defense Authorization Act, 1991 shall not be considered in, or have any effect on, determining whether the Navy intends to maintain P-3B aircraft in its inventory. The conferees further instruct that the Secretary of Defense should propose legislation repealing section 1437(c) if the Navy intends to maintain P-3B aircraft in its inventory after fiscal year 1996.

The conferees remain concerned about the future of the P-3B inventory and the Anti-Submarine Warfare (ASW) mission in the Navy Reserve. The conferees continue to believe that ASW is a priority of our Naval forces. As such, the conferees have included section 8104(a) as proposed by the House which directs the Navy not to reduce or disestablish the operation of the P-3 squadrons of the Navy Reserve below the level funded in this Act. The level funded in this Act is 13 squadrons of eight aircraft each.

Since the decision on the need for P-3B aircraft is under review, the conferees agree that the Department should immediately release $17,000,000 of the $70,000,000 appropriated last year for the Improved Processor and Display System (IPADS) to continue testing of this system.

ADVANCED RADAR WARNING RECEIVERS

The conferees agree to the Senate language with an amendment. This provision denies the use of funds for an advanced radar warning receiver, waives section 132 of the 1992-93 DOD Authorization Bill (H.R. 2100), and directs the expenditure of $8,000,000 for the side-by-side testing of the ALR-62I and the ALR-56M radar warning receivers.

Amendment No. 164: Restores House language which specifies that funds appropriated for C-23 aircraft are for C-23 Sherpa aircraft, and inserts and amends Senate language which appropriates funds to pay claims for damages caused by the volcanic eruption of Mount Pinatubo.

MT. PINATUBO CLAIMS AND RELOCATION COSTS

The conferees agree to the provision proposed in the Senate bill to provide funds for the damage claims and relocation costs of U.S. military and civilian personnel due to the Mt. Pinatubo volcano in the Philippines and the closure of Clark AFB. The conferees make the following modifications to the Senate proposal.

First, that $100,000,000 be available to pay for damages and losses incurred by U.S. military and civilian personnel and their dependents due to the Mt. Pinatubo volcano.

Second, a new proviso, that makes $25,000,000 available for relocation costs due to the closure of Clark AFB. Of that amount, $8,500,000 is available only for the construction of facilities at Eielson Air Force Base to support the Cope Thunder and other exercise and training programs, and $2,500,000 is available only for the modification of facilities for squadron operations at Elmendorf Air Force Base to support Cope Thunder and other training activities.

Third, a new proviso that makes $25,000,000 available to meet unanticipated requirements for disaster relief activities overseas. Increasingly, U.S. military forces have been called to respond to the needs of U.S. friends and allies overseas due to natural disasters. Over the past two years, the U.S. military personnel have participated in numerous relief efforts, most recently in the Philippines and Bangladesh. The conferees commend the Department, and especially the unified commanders in chief, for their willingness and success in responding to these crises. Funding for these activities has generally been borne within the appropriations provided for the operation and training of U.S. military forces. This special appropriation should help ease the burden faced by overseas U.S. commands in conducting these missions.

The conferees expect the Comptroller of the Department of Defense to provide detailed reports explaining the expenditure of funds from the $25,000,000 made available for disaster relief. These reports should be provided to the House and Senate Committees on Appropriations not later than ninety days after the initial obligation of funds for each natural disaster event for which funds are expended from this appropriation.

Amendment No. 165: Restores and amends House language and retains and amends Senate language on Federally Funded Research and Development Centers (FFRDCs). Further explanation is contained in the Research, Development, Test and Evaluation section of this statement.

Amendment No. 166: Restores House language which repeals section 361 of Public Law 101-510 concerning aircraft leasing, and inserts Senate language which prohibits funds to transport any additional chemical weapons to Johnston Atoll after the completion of the European retrograde program.

Amendment No. 167: Deletes House language concerning Navy Comptroller personnel, and inserts Senate language which prohibits funds to prepare studies on the feasibility of removal and transportation of chemical weapons stored in the continental United States.

Amendment No. 168: Restores and amends House language concerning debarment and suspensions, and inserts Senate language which governs Defense contractor hiring in States with unemployment rates exceeding the national rate of unemployment.

DEBARMENT/SUSPENSIONS

The conferees are pleased with the steps the Department has taken to ensure that all debarment/suspension officials use uniform, agreed upon standards in making debarment/suspension decisions. However, the conferees believe that the Department's memorandum dated August 27, 1984, providing that contractors convicted of a felony crime should be suspended for at least one year, unless an exemption is granted, is contrary to the agreed upon "present responsibility" arrangement worked out by the Defense Advisory Panel of Government-Industry Relations in January 1990. In the conferees view, this memorandum may unduly penalize contractors. Therefore, the conferees have amended the House language to direct the Department to rescind the 1984 memorandum from which the imposition of these suspension and debarment guidelines emanated. The conferees request that DOD publish in detail its debarment/suspension practices and procedures for all interested parties.

The conferees agree to retain Senate language which governs Defense contractor hiring in States with unemployment exceeding the national rate of unemployment.

Amendment No. 169: Restores House language which places restrictions on the procurement of carbon, alloy or armor plate, and inserts Senate language which places restrictions on appropriated fund support for procurement of alcoholic beverages in noncontiguous States.

Amendment No. 170: Restores and amends House language to direct the Critical Technologies Institute to conduct a special study of the issues regarding the production and use of machine tools necessary to support the National Defense, and inserts Senate language which sets aside $8,000,000 from the procurement title for incentive payments authorized by the Indian Financing Act.

Amendment No. 171: Restores House language which places restrictions on the procurement of certain sealift ship components, and inserts and amends Senate language concerning DARPA cooperative ventures.

Amendment No. 172: Tranfers $30,000,000 instead of $5,000,000 as proposed by the House and $15,000,000 as proposed by the Senate to the Radiation Exposure Compensation Trust Fund.

Amendment No. 173: Deletes House language which would have placed restrictions on the payment of attorneys' fees.

Amendment No. 174: Restores House language on the Naval Undersea Museum Foundation, and inserts and amends Senate language on diesel submarine construction.

Amendment No. 175: Deletes House language on the enhanced modular signal processor in the SQQ-89 system, and inserts Senate language which defines the term "Congressional Defense Committees."

Amendment No. 176: Restores and amends House language on construction of vessels in foreign shipyards, and inserts Senate language concerning training at Kahoolawe Island, Hawaii.

Amendment No. 177: Deletes House language which places restrictions on the procurement of four-ton dolly jacks, and inserts Senate language which provides funds for a study of potential allied cooperation in defense procurement and research and development.

ALLIED COOPERATION ENHANCEMENT STUDIES

The conferees support the Senate provision mandating the continuance of the Allied cooperation Enhancement Studies begun last year. The conferees are encouraged by the preliminary result of this effort which has identified a broad range of emerging and enabling technology initiatives of potential benefit to United States security and the enhancement of our defense industrial base. The inclusion of language for two new studies in the areas of environmental and critical technologies cooperation underscores the conferees belief that the United States-Israel partnership in research and development is a powerful tool for advancing the industrial competitiveness and economic vitality of both nations.

The conferees believe that cooperative research, development and manufacturing initiatives, undertaken jointly with our allies, can significantly enhance the national security of the United States, lead to job creation and reduce the unit cost of weapons. At a time of shrinking defense budgets, changing external threats, and rapid technological change, allied industrial cooperation permits the United States to maximize its scarce resources and achieve new levels of technical capability in a reasonable period of time. The conferees urge the Department of Defense to use the Studies as a basis for programs which encourage American and NATO/Major Non-NATO Ally defense industries to cooperate in weapons development and the commercialization of defense technologies.

Amendment No. 178: Deletes House language concerning implementation of the Chief Financial Officers Act of 1989, and inserts Senate, language establishing the Defense Business Operations Fund.

Amendment No. 179: Deletes House language and adds Senate language on the overseas workload program.

Amendment No. 180: Restores and amends House language on Reciprocal Trade agreement to conform with the National Defense Authorization Act, 1992, and inserts and amends Senate language on classified provisions to provide that the amounts specified for the specific projects, programs or activities that are to be carried out in the Classified Annex are incorporated by reference.

Amendment No. 181: Deletes House language on consulting services, and adds Senate language on flexible computer integrated manufacturing systems programs.

Amendment No. 182: Deletes Senate language which provided authority to the secretary of Defense to convey all rights, title, and interest of the United States to a State or eligible political subdivision of a military installation that has been closed under the base closure law.

Amendment No. 183: Inserts and amends Senate language to provide authority for the conveyance of certain lands in Alaska to the Department of Interior.

Amendment No. 184: Inserts Senate language which restricts the purchase of bearings for defense application to North American sources.

Amendment No. 185: Inserts and amends Senate language concerning the U.S.S. Kennedy.

Amendment No. 186: Deletes Senate language allowing the Department to provide privately funded abortions for military personnel and their dependents in military med-

ical treatment facilities outside the continental United States.

Amendment No. 187: Inserts and amends Senate language which continues the environmental cleanup of a portion of Hamilton Air Force Base.

Amendment No. 188: Deletes Senate language which expressed the sense of the Senate concerning tax relief for middle income families.

Amendment No. 189: Deletes Senate language concerning Navy R&D base closings. Report language on this issue is contained in the Research, development, Test and Evaluation section of this statement.

Amendment No. 190: Inserts and amends Senate language concerning the disposal of Navy nuclear material.

Amendment No. 191: Deletes Senate language on a national security scholarship, fellowships, and grant program.

REPORT ON ASSISTANCE TO IRAQ

Amendment No. 192. Deletes Senate provision prohibiting certain imports to the United States. The conferees are concerned over reports that Western companies provided assistance to Iraq in its nuclear, biological, chemical (NBC), and ballistic missile programs. The Senate bill contained language giving the President the authority to bar for a period of ten years the imports of companies that knowingly assisted Iraq in its programs for the development of weapons of mass destruction. The conferees reluctantly decided to drop this language for jurisdictional reasons only. The conferees wish to express their strong support for the intent of this provision and hope that it will be adopted on a suitable legislative vehicle.

To further underscore their concern, the conferees request that the President provide, in both classified and unclassified versions, a report to the Appropriations Committee of the House and the Senate, based on recent information, that includes an assessment of the contribution that these companies made to Iraq's NBC and ballistic missile capabilities and a listing of these companies. The companies should include those that provided financial services, transportation, and other essential services as well as hardware and software support.

Amendment No. 193: Inserts and amends Senate language which expresses the sense of the Congress on the responsibilities and duties of the Defense Base Closure Commissions.

Amendment No. 194: Deletes Senate language requesting a study regarding the problems of command, control, and safety of nuclear weapons resulting from changes in the Soviet Union.

Amendment No. 195: Inserts and amends Senate language which establishes a National Commission on the Future Role of Nuclear Weapons in the United States National Security Strategy.

Amendment No. 196: Inserts Senate language which urges the President to consult with allies before making significant modifications to the ABM treaty.

Amendment No. 197: Deletes Senate language which would have established a Joint Commission on Reduction of Nuclear Weapons.

Amendment No. 198: Deletes Senate language which appropriated funds for certain procurement and R&D programs.

Amendment No. 199: Inserts Senate language which provides authority for the Secretary of Commerce to accept transfer of funds to carry out the objectives of the Public Works and Development Act of 1965.

Amendment No. 200: Inserts Senate language which provides continuation pay for deceased aviation officers of the Persian Gulf War, and inserts several new provisions, as follows:

COMMERCIAL SPACE LAUNCH ACT WAIVERS

The conferees agree to permit the Air Force to waive certain launch servies costs as authorized under a 1988 amendment to the Commercial Space Launch Act.

The conferees agree that only normal range support services provided by the Air Force are meant to be waived under the terms of the 1988 amendment to the Commercial Space Launch Act. It is the intent of Congress that these launch services are meant to include only range safety analysis and control, telemetry reception and analysis, radar and optical tracking, data distribution, communications support, physical security services, and associated administrative/management tasks. It is not intended to provide reimbursement of costs beyond these services. Representative examples of non-reimbursable costs include those associated with payload processing, integration, booster launch operations, insurance, or other hardware/material costs related to propellants, flight hardware, and government manufacturing facilities, as well as non-range support services and items which may have been sold or provided to commercial space launch firms by the Air Force. Likewise, the Air Force will be responsible only for reimbursements of range support costs incurred by the Air Force; costs incurred by other government agencies for support of eligible satellites, normally billed through the Air Force for collection, are beyond the scope of this amendment.

As directed in the provision, the Department of Defense shall notify the Committees on Appropriations, in the form of a prior approval reprogramming action, of the proposed amounts and sources of funds for this reimbursement effort.

ARMY DEPOTS SUBCONTRACTING AUTHORITY

The conference agreement includes a new general provision which provides statutory authority allowing Army depots to serve as subcontractors to private prime contractors on Department of Defense contracts.

The conferees note that the Congress has encouraged the Department of Defense to recognize the benefits of utilizing the complementary capabilities of government and industry to achieve savings to the taxpayer. The conferees are concerned about the apparent lack of activity in removing barriers which prevent a better integration of the commercial and government defense industrical sectors. The conferees expect the Army to utilize this new statutory authority in an expeditious manner. However, the conferees further expect that no current production contracts, requests for proposals, or ongoing procurement planning shall be unnecessarily delayed during this transition period. If contractor/depot teams can meet currently published deadlines, they should be allowed to compete. But no deadlines shall be extended for the sole purpose of allowing contractor/depot teams to be arranged.

CANCELLATION OF INDEBTEDNESS

The conferees were concerned to learn that over 122,000 military personnel incurred debt to the United States government, arising from receiving advance pays and for other reasons during Operation Desert Storm/Shield. Many of these personnel are no longer in the military, and for many personnel, including those still in military service, repayment of these debts would constitute a hardship. In an effort to alleviate this hardship, the conferees have agreed to a general provision which will allow the Secretary of Defense to cancel not to exceed $2,500 of debts owed to the United States by a member or former member of a military service, if the indebtedness is determined by the Secretary to have been incurred in connection with Operation Desert Shield/Storm. This provision should affect about 120,000 of those members who incurred this indebtedness. In addition, the conferees agree that, if a member or former member has already repaid debt incurred as a result of Operation Desert Shield/Storm, the amount of repayment shall be refunded to the member, subject to the above limitations.

1992 COLUMBUS QUINCENTENNIAL EXPOSITION

The conferees agree to transfer $5,600,000 from the Board for International Broadcasting, "Israel Relay Station", to the salaries and expenses account of the United States Information Agency (USIA). These funds will be used to continue United States participation in the 1992 Columbus Quincentennial Expositions in Seville, Spain, and Genoa, Italy.

On October 28, 1991, following enactment of the fiscal year 1992 Commerce, Justice, and State, the Judiciary and Related Agencies Appropriations Act, the USIA Director informed the House and Senate Appropriations Committees that private sector contributions for the expositions have fallen far below estimates and that $5,600,000 was required to continue U.S. participation. Without an immediate injection of funds, work on the U.S. exhibit would be halted by January 1992. The conferees believe that the United States should not terminate construction of the exhibits in Seville and Genoa.

As a result of delays in the Israel Relay Station project, $5,600,000 is available for transfer to allow for the full funding of these expositions. The conferees expect the USIA to continue to seek contributions from the private sector, and any additional contributions collected should be utilized in lieu of appropriated funds.

SANTIAM NO. 1 LODE MINING CLAIM

The conferees have included statutory language directing the Secretary of the Interior to issue a patent to the Shiny Rock Mining Corporation for the Santiam No. 1 lode mining claim in Oregon. The patented property, once received by Shiny Rock Mining Corporation, will be part of a gift to The Nature Conservancy. The deed of gift will provide for a reversion to the Forest Service should The Nature Conservancy cease to exist, or otherwise seek to convey the property.

ADVANCED VIDEO PROCESSOR (AVP)

Inserts language which provides for: (1) The expeditious procurement of Advanced Video Processors (AVP) and associated display heads the conferees direct the Navy to procure associated display heads, consoles, associated man/machine interface (MMI) devices, power supplies and the requisite integration with the AVP as an engineering change proposal (ECP) to the AVP; (2) The obligation of Navy RDT&E funds for the development of an integrated display station. The development of an integrated display station shall be accomplished as an ECP to the AVP by the addition of display heads, MMI devices, and appropriate processing devices; and, the Navy shall reestablish and expedite AVP CI mode integration testing.

DESKTOP III

The conferees are particularly concerned with the inadequate contractor response to the Department's Desktop III customer orders. The conferees are unsure why the de-

partment would want to extend an option on this contract when the contractor has performed so poorly and the Department should be able to procure more capable personal computers at a comparable price on the new Desktop IV procurement. Accordingly, the conferees have included a general provision which directs the department to end the procurement of personal computers from the Desktop III contract at the time the Desktop IV contract becomes available to receive customer orders. However, the conferees do not object to continued purchase of contract maintenance, service, peripheral equipment and necessary spare parts to maintain systems already delivered.

EXCESS CASH TRANSFER

The conferees agree to insert a new provision which transfers working capital funds to various appropriation accounts.

COMMUNITY TASK FORCES

The conferees agree to insert a new provision prohibiting the Secretary of Defense from withhholding funds from a community task force representing the installation scheduled to be closed.

U.S.S. "ORISKANY"

The conferees agree to insert a new provision that provides transfer of the U.S.S. *Oriskany* to a private organization for conversion to a museum.

SOUTH FRANKFORT FLOOD CONTROL PROJECT

A flood control project was authorized for the Frankfort, Kentucky area in the 1930s as part of an omnibus flood control Bill for the Ohio valley. This project contained several components including a north Frankfort levee/floodwall and a south Frankfort levee/floodwall. The north Frankfort section was built in the 1970s. The south Frankfort section has not yet been constructed.

The conferees have included a provision within the bill which specifically prohibits the inclusion of any expenditures made prior to the beginning of fiscal year 1992 as preliminary design and engineering costs when calculating the benefit/cost ratio for this project.

ENERGY SAVINGS

The conferees agree to insert a new provision that allows obligation of funds resulting from energy cost savings to remain available for the next fiscal year.

SUITLAND PARKWAY

The conferees agree to insert a new provision certifying Suitland Parkway in accordance with Section 210 of Title 23 of the United States Code.

CAMP FOR CRITICALLY-ILL CHILDREN

The conferees believe that as military facilities are declared surplus, an appropriate and beneficial use of such facilities would be for a non-profit camp for children with life-threatening diseases and their families. This camp would provide services free of charge and would serve active-duty and retired military dependents among its attendees. Such a facility should be specially structured to meet the needs of critically-ill children through the provision of positive summer camp and year-round recreational, educational, and support programs designed and staffed to provide a therapeutic environment to meet the special physical and emotional needs of these children. From a medical care perspective, these needs are substantial and are largely unmet by other military or civilian facilities which provide either services focused on healthy children, or services limited to medical care. Development of such a camp or camps on publicly-held property would enable more such children to be served. Consequently, the conferees have included a general provision which provides that such facilities will receive the highest priority for acquiring surplus defense properties and that such facilities will receive a 100% Public Benefit Allowance for the acquisition of federal surplus properties.

SHINNECOCK I CLAIM

The conferees agree to insert a new provision that provides funds to pay a claim to the owner of a boat destroyed by the Navy.

APOLLO SITE

The Apollo site in Pennsylvania, where uranium fuel has been manufactured from the 1950s through 1981, is currently owned by Babcock and Wilcox (B&W). With the funds from B&W and its commercial partners, along with Federal funds, the site is in the final stages of decommissioning to remove radionuclide contamination. The decommissioning is under the sole regulatory jurisdiction of the Nuclear Regulatory Commission (NRC).

The conferees agree that the Department of Energy shall make available in fiscal year 1992 to the Commonwealth of Pennsylvania not to exceed $1,000,000 for independent monitoring and testing of onsite activities in the decommissioning at the Apollo site. The funding should come from the $30,000,000 transferred to the Department of Energy in Section 8089 of last year's Act.

The Commonwealth of Pennsylvania, acting through its Bureau of Radiation Protection in the Department of Environmental Resources, has the capability to provide independent oversight of the Apollo site decommissioning activities on behalf of the people of Pennsylvania. The results of their independent monitoring and testing, and evaluations thereof will be available to the interested public to keep residents of the Apollo community aware of the site situation. In addition, the results will, as appropriate, be furnished to the NRC in the conduct of the regulatory process for the Apollo site. However, such monitoring and testing shall not interfere with conduct of site decommissioning activities. Likewise, nothing in this grant of funds shall be construed or interpreted as preempting or diminishing NRCs sole regulatory jurisdiction over the decommissioning process.

The conferees agree to rescind the January 1993 completion date of the final decontamination and decommissioning. The conferees do so only in order to facilitate release of funds after that date if the decommissioning is not completed. The conferees are adamant that the decommissioning should be completed as expeditiously as possible.

BURDENSHARING

The conferees agree to insert a new provision that accepts burdensharing funds from the Government of Japan.

SMITHSONIAN INSTITUTION

The managers have included bill language in the general provisions shifting $800,000 from the Repair and Restoration of Buildings of the Smithsonian Institution to the Salaries and Expenses account, also under the Smithsonian. Under agreement with the Managers of the Department of Interior and Related Agencies Appropriations Conference, these shifted funds are to be used to prepare initial exhibits on the early contacts between European explorers and Native Americans as part of the quincentennial observance. The managers agree that the funds provided do not include costs for auditorium enhancement and exterior sculpture installation. The exhibition is to be prepared on an expedited basis so that it may open before October 1, 1992 at the National Museum of the American Indian in the New York City Custom House. The Managers are pleased to note that the funds included herein will be matched by an additional $250,000 in private donations for the exhibition.

NAVFAC COMMAND

The conferees agree to insert a new provision that prohibits the Navy from relocating or realigning a Navy Facilities Command division from Philadelphia.

TANKER CHARTER LIMITATIONS

A new provision is added which allows an exemption for petroleum product tankers from current limitations on the length of charters.

SPECIAL OPERATIONS OFFICE

The conferees agree to insert a new provision that amends Section 355(b) of Public Law 101-510 regarding the Office of the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict.

DEPENDENTS EDUCATION

The conferees have included a general provision (Section 8157) that allows the Department of Defense Dependent Schools (DODDS) to offer summer school programs (such as remedial reading and mathematics, or advanced enhancement programs), national programs (such as Model United Nations), and participation in Math Counts on a fee basis. This provision will allow DODDS to collect fees for these programs and to use the fees to support the programs.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1992 recommended by the Committee of Conference, with comparisons to the fiscal year 1991 amount, the 1992 budget estimates, and the House and Senate bills for 1992 follow:

	Amount
New budget (obligational) authority, fiscal year 1991	$283,388,076,000
Budget estimates of new (obligational) authority, fiscal year 1992	270,936,322,000
House bill, fiscal year 1992	270,565,792,000
Senate bill, fiscal year 1992	270,257,747,000
Conference agreement, fiscal year 1992	269,911,240,000
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1991	-13,476,836,000
Budget estimates of new (obligational) authority, fiscal year 1992	-1,025,082,000
House bill, fiscal year 1992	-654,552,000
Senate bill, fiscal year 1992	-346,507,000

JOHN P. MURTHA,
NORMAN DICKS,
CHARLES WILSON,
W.G. (BILL) HEFNER,
MARTIN OLAV SABO,
JULIAN C. DIXON,
BERNARD J. DWYER,
JAMIE L. WHITTEN,
JOSEPH M. MCDADE,
BILL YOUNG,
CLARENCE MILLER,
BOB LIVINGSTON,
JERRY LEWIS,
Managers on the Part of the House.

DANIEL K. INOUYE,
ERNEST F. HOLLINGS,
J. BENNETT JOHNSTON,
ROBERT C. BYRD,
PAT LEAHY,
JIM SASSER,
DENNIS DECONCINI,
DALE BUMPERS,
FRANK R. LAUTENBERG,
TOM HARKIN,
TED STEVENS,
JAKE GARN,
ROBERT W. KASTEN, JR.,
ALFONSE M. D'AMATO,
WARREN B. RUDMAN,
THAD COCHRAN,
ARLEN SPECTER,
PETE V. DOMENICI,
MARK O. HATFIELD,
Managers on the Part of the Senate.

CONFERENCE REPORT ON H.R. 2038

Mr. MCCURDY, submitted the following conference report and statement on the bill (H.R. 2038) to authorize appropriations for fiscal year 1992 for intelligence-related activities of the United States Government, the Intelligence Community Staff, and the Central Intelligence Agency Retirement and Disability system, and for other purposes:

CONFERENCE REPORT (H. REPT. 102-327)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2038) to authorize appropriations for fiscal year 1992 for intelligence and intelligence-related activities of the U.S. Government, the Intelligence Community Staff, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Intelligence Authorization Act, Fiscal Year 1992".

TITLE I—INTELLIGENCE ACTIVITIES

SEC. 101. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 1992 for the conduct of the intelligence and intelligence-related activities of the following elements of the United States Government:

(1) The Central Intelligence Agency.

(2) The Department of Defense.

(3) The Defense Intelligence Agency.

(4) The National Security Agency.

(5) The Department of the Army, the Department of the Navy, and the Department of the Air Force.

(6) The Department of State.

(7) The Department of the Treasury.

(8) The Department of Energy.

(9) The Federal Bureau of Investigation.

(10) The Drug Enforcement Administration.

SEC. 102. CLASSIFIED SCHEDULE OF AUTHORIZATIONS.

(a) SPECIFICATION OF AMOUNTS AND PERSONNEL CEILINGS.—The amounts authorized to be appropriated under section 101, and the authorized personnel ceilings as of September 30, 1992, for the conduct of the intelligence and intelligence-related activities of the elements listed in such section, are those specified in the classified Schedule of Authorizations prepared by the committee of conference to accompany H.R. 2038 of the One Hundred Second Congress.

(b) AVAILABILITY OF CLASSIFIED SCHEDULE OF AUTHORIZATIONS.—The Schedule of Authorizations described in subsection (a) shall be made available to the Committees on Appropriations of the Senate and House of Representatives and to the President. The President shall provide for suitable distribution of the Schedule, or of appropriate portions of the Schedule, within the executive branch.

SEC. 103. PERSONNEL CEILING ADJUSTMENTS.

(a) AUTHORITY FOR ADJUSTMENTS.—The Director of Central Intelligence may authorize employment of civilian personnel in excess of the numbers authorized for fiscal year 1992 under sections 102 and 202 of this Act when he determines that such action is necessary for the performance of important intelligence functions, except that such number may not, for any element of the Intelligence Community, exceed 2 percent of the number of civilian personnel authorized under those sections for that element.

(b) NOTICE TO INTELLIGENCE COMMITTEES.—The Director of Central Intelligence shall promptly notify the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate whenever he exercises the authority granted by subsection (a).

TITLE II—INTELLIGENCE COMMUNITY STAFF

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated for the Intelligence Community Staff for fiscal year 1992 the sum of $31,219,000, of which $6,566,000 shall be available for the Security Evaluation Office and $2,000,000 shall be available for the Foreign Language Committee of the Director of Central Intelligence.

SEC. 202. AUTHORIZATION OF PERSONNEL END-STRENGTH.

(a) AUTHORIZED PERSONNEL LEVEL.—The Intelligence Community Staff is authorized 218 full-time personnel as of September 30, 1992, including 50 full-time personnel who are authorized to serve in the Security Evaluation Office and 3 full-time personnel who are authorized to serve on the Foreign Language Committee of the Director of Central Intelligence. Such personnel of the Intelligence Community Staff may be permanent employees of the Intelligence Community Staff or personnel detailed from other elements of the United States Government.

(b) REPRESENTATION OF INTELLIGENCE ELEMENTS.—During fiscal year 1992, personnel of the Intelligence Community Staff shall be selected so as to provide appropriate representation from elements of the United States Government engaged in intelligence and intelligence-related activities.

(c) REIMBURSEMENT.—During fiscal year 1992, any officer or employee of the United States or a member of the Armed Forces who is detailed to the Intelligence Community Staff from another element of the United States Government shall be detailed on a reimbursable basis, except that any such officer, employee, or member may be detailed on a nonreimbursable basis for a period of less than one year for the performance of temporary functions as required by the Director of Central Intelligence.

SEC. 203. INTELLIGENCE COMMUNITY STAFF ADMINISTERED IN SAME MANNER AS CENTRAL INTELLIGENCE AGENCY.

During fiscal year 1992, activities and personnel of the Intelligence Community Staff shall be subject to the provisions of the National Security Act of 1947 (50 U.S.C. 401 et seq.) and the Central Intelligence Agency Act of 1949 (50 U.S.C. 403a et seq.) in the same manner as activities and personnel of the Central Intelligence Agency.

TITLE III—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM PROVISIONS

SEC. 301. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATIONS.—There are authorized to be appropriated for the Central Intelligence Agency Retirement and Disability Fund $164,100,000 for fiscal year 1992.

(b) REFERENCES TO CIARDS ACT.—Except as otherwise expressly provided, any amendment or repeal in this title shall be treated as being stated as an amendment or repeal to the Central Intelligence Agency Retirement Act of 1964 for Certain Employees (50 U.S.C. 403 note).

SEC. 302. SURVIVOR BENEFITS FOR CHILDREN WHO HAVE A SURVIVING PARENT.

(a) COMPUTATION OF ANNUITIES FOR OTHER THAN FORMER SPOUSES.—(1) Subsection (c) of section 221 is amended—

(A) in paragraph (1), by striking out "wife or husband and by a child or children, in addition to the annuity payable to the surviving wife or husband, there shall be paid to or on behalf of each" and inserting in lieu thereof "spouse or former spouse who is the natural or adoptive parent of a surviving child of the annuitant, there shall be paid to or on behalf of each such surviving"; and

(B) in paragraph (2), by striking out "wife or husband but by a child or children, each surviving child shall be paid" and inserting in lieu thereof "spouse or former spouse who is the natural or adoptive parent of a surviving child of the annuitant, there shall be paid to or on behalf of each such surviving child".

(2) Subsection (d) of such section is redesignated as paragraph (3) of subsection (c) and as so redesignated is amended to read as follows:

"(3) On the death of a surviving spouse or former spouse or termination of the annuity of a child, the annuities of any remaining children shall be recomputed and paid as though the spouse, former spouse, or child had not survived the annuitant. If the annuity of a surviving child who has not been receiving an annuity is initiated or resumed, the annuities of any other children shall be recomputed and paid from that date as though the annuities of all currently eligible children were then being initiated.".

(3) Subsection (c) of such section is further amended by adding at the end the following new paragraph:

"(4) For purposes of this subsection, the term 'former spouse' includes any former wife or husband of the annuitant, regardless of the length of marriage or the amount of creditable service completed by the annuitant.".

(4) Subsection (e) of such section is redesignated as subsection (d) and is amended by striking out "under paragraph (c) or (d) of this section, or (c) or (d)" and inserting in lieu thereof "under paragraph (1) or (2) of subsection (c) of this section, or subsection (c) or (d)".

(b) DEATH IN SERVICE.—(1) Subsection (c) of section 232 is amended—

(A) by striking out "wife or a husband and a child or children, each" and inserting in lieu thereof "spouse or former spouse who is the natural or adoptive parent of a surviving child of the participant, each such";

(B) by striking out "section 221(c)(1)" and inserting in lieu thereof "subsections (c)(1) and (c)(3) of section 221"; and

(C) by striking out the last sentence.

(2) Subsection (d) of such section is amended—

(A) by striking out "wife or husband, but by a child or children, each" and inserting in lieu thereof "spouse or a former spouse who is the natural or adoptive parent of a surviving child of the participant, that";

(B) by striking out "section 221(c)(2)" and inserting in lieu thereof "subsections (c)(2) and (c)(3) of section 221"; and

(C) by striking out the last sentence.

(3) Such section is further amended by adding at the end the following new subsection:

"(e) For purposes of subsections (c) and (d), the term 'former spouse' includes any former wife or husband of the participant, regardless of the length of marriage or the amount of creditable service completed by the participant.".

(c) CONFORMING CROSS-REFERENCE AMENDMENTS.—(1) Sections 204(b)(3), 232(c), and 232(d) are amended by striking out "section 221(e)" and inserting in lieu thereof "section 221(d)".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the first day of the fourth month beginning after the date of the enactment of this Act and shall apply with respect to annuities payable to children by reason of the death of a participant or annuitant on or after that date.

SEC. 303. 18-MONTH PERIOD TO ELECT A SURVIVOR ANNUITY.

(a) ESTABLISHMENT OF PERIOD AFTER RETIREMENT TO MAKE ELECTION.—Section 221 is amended—

(1) by redesignating the second subsection (p) as subsection (r); and

(2) by inserting before that subsection the following new subsection:

"(q)(1)(A) A participant or former participant—

"(i) who, at the time of retirement, is married, and

"(ii) who elects at that time (in accordance with subsection (b)) to waive a survivor annuity for the spouse,

may, during the 18-month period beginning on the date of the retirement of such participant, elect to have a reduction under subsection (b) made in the annuity of the participant (or in such portion thereof as the participant may designate) in order to provide a survivor annuity for that spouse of the participant.

"(B) A participant or former participant—

"(i) who, at the time of retirement, is married, and

"(ii) who, at that time designates (in accordance with subsection (b)) that a portion of the annuity of such participant is to be used as the base for a survivor annuity,

may, during the 18-month period beginning on the date of the retirement of such participant, elect to have a greater portion of the annuity of such participant so used.

"(2)(A) An election under subparagraph (A) or (B) of paragraph (1) shall not be considered effective unless the amount specified in subparagraph (B) is deposited into the fund before the expiration of the applicable 18-month period under paragraph (1).

"(B) The amount to be deposited with respect to an election under this subsection is an amount equal to the sum of—

"(i) the additional cost to the system which is associated with providing a survivor annuity under subsection (b) and results from such election, taking into account (I) the difference (for the period between the date on which the annuity of the participant or former participant commences and the date of the election) between the amount paid to such participant or former participant under this title and the amount which would have been paid if such election had been made at the time the participant or former participant applied for the annuity, and (II) the costs associated with providing for the later election; and

"(ii) interest on the additional cost determined under clause (i), computed using the interest rate specified or determined under section 8334(e) of title 5, United States Code, for the calendar year in which the amount to be deposited is determined.

"(3) An election by a participant or former participant under this subsection voids prospectively any election previously made in the case of such participant under subsection (b).

"(4) An annuity which is reduced in connection with an election under this subsection shall be reduced by the same percentage reductions as were in effect at the time of the retirement of the participant or former participant whose annuity is so reduced.

"(5) Rights and obligations resulting from the election of a reduced annuity under this subsection shall be the same as the rights and obligations which would have resulted had the participant involved elected such annuity at the time of retiring.

"(6) The Director shall, on an annual basis, inform each participant or former participant who is eligible to make an election under this subsection of the right to make such election and the procedures and deadlines applicable to such election.".

(b) EFFECTIVE DATE.—(1) The amendments made by subsection (a) shall take effect on the first day of the fourth month beginning after the date of the enactment of this Act.

(2)(A) The amendment made by subsection (a)(2) shall apply with respect to participants and former participants regardless of whether they retire before, on, or after the effective date specified in paragraph (1), except that paragraph (1)(A) of section 221(q) of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees (as added by subsection (a)(2)) shall apply only with respect to participants who retire on or after that effective date.

(B) In applying the provisions of paragraph (1)(B) of section 221(q) of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees (as added by subsection (a)(2)) to a participant or former participant who retires before the effective date specified in paragraph (1)—

(i) the 18-month period referred to in that paragraph shall be considered to begin on the effective date specified in paragraph (1); and

(ii) the amount referred to in paragraph (2) of that section (as added by subsection (a)(2)) shall be computed without regard to the provisions of subparagraph (B)(ii) of such paragraph (relating to interest).

SEC. 304. WAIVER OF THIRTY-MONTH APPLICATION REQUIREMENT.

Section 224(c)(2)(A) is amended—

(1) by striking out "require within thirty months after the effective date of this section." and inserting in lieu thereof "require. Any such application and documentation shall be submitted not later than April 1, 1989."; and

(2) by adding at the end the following new sentence: "The Director may waive the deadline in the preceding sentence for submission of an application and supporting documentation under this subparagraph in any case in which the Director determines that the circumstances warrant such a waiver.".

SEC. 305. DISCRETIONARY AUTHORITY FOR PAYMENT OF EXPENSES OF DISABILITY EXAMS FROM CIARDS FUND.

Section 231(b)(1) is amended by striking out "shall" in the sixth sentence and inserting in lieu thereof "may".

SEC. 306. TECHNICAL CORRECTIONS TO PROVISIONS RELATING TO PREVIOUS SPOUSES OF CIARDS PARTICIPANTS.

(a) SURVIVOR ANNUITIES FOR PREVIOUS SPOUSES.—Subsection (a) of section 226 is amended—

(1) by striking out "whose retirement or disability or FECA (chapter 81 of title 5, United States Code) annuity commences after the effective date of this section";

(2) by striking out "applicable to spouses" and inserting in lieu thereof "applicable to former spouses (as defined in section 8331(23) of title 5, United States Code)"; and

(3) by striking out "married for at least nine months with service creditable under section 8332 of title 5, United States Code" and inserting in lieu thereof "as prescribed by the Civil Service Retirement Spouse Equity Act of 1984".

(b) DATE REFERENCE CHANGES.—Such section is further amended—

(1) by striking out "divorced after the effective date of this section" in subsection (a) and inserting in lieu thereof "divorced after September 29, 1988,";

(2) by striking out "within two years after the effective date of this section" in subsection (b) and inserting in lieu thereof "not later than September 29, 1990"; and

(3) by striking out subsection (d).

(c) EFFECTIVE DATES.—(1) The amendment made by subsection (a)(1) shall be deemed to have become effective as of September 30, 1990; and shall apply in the case of annuitants whose divorce occurs on or after that date.

(2) The amendments made by subsections (a)(2) and (a)(3) shall be deemed to have become effective as of September 29, 1988.

SEC. 307. TECHNICAL CORRECTION TO CIARDS MANDATORY RETIREMENT PROVISION.

Section 235(b) is amended—

(1) in the first sentence, by striking out "grade GS-18 or above" and inserting in lieu thereof "level 4 or above of the Senior Intelligence Service pay schedule"; and

(2) in the second sentence, by striking out "less than grade GS-18" and inserting in lieu thereof "less than that of level 4 of the Senior Intelligence Service pay schedule".

SEC. 308. EXCLUSION OF CIA FOREIGN NATIONAL EMPLOYEES FROM PARTICIPATION IN THRIFT SAVINGS PLAN.

(a) PARTICIPATION IN THE THRIFT SAVINGS PLAN.—Section 8351 of title 5, United States Code, is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following:

"(d) A foreign national employee of the Central Intelligence Agency whose services are performed outside the United States shall be ineligible to make an election under this section.".

(b) EFFECTIVE DATE.—(1) The amendment made by subsection (a) shall take effect as of January 1, 1987.

(2) Any refund which becomes payable as a result of the effective date specified in paragraph (1) shall, to the extent that that refund involves an individual's contributions to the Thrift Savings Fund (established under section 8437 of title 5, United States Code), be adjusted to reflect any earnings attributable thereto.

SEC. 309. CLARIFICATION OF QUALIFIED FORMER SPOUSE PROVISIONS UNDER FEDERAL EMPLOYEES RETIREMENT SYSTEM.

(a) SPECIAL RULES FOR FORMER SPOUSES.—Section 304 is amended by adding at the end the following new subsection:

"(h)(1) Except as provided in paragraph (2) in the case of an employee who has elected to become subject to chapter 84 of title 5, United States Code, the provisions of sections 224 and 225 shall apply to such employee's former spouse (as defined in section 204(b)(4)) who would otherwise be eligible for benefits under such sections 224 and 225 but for the employee having elected to become subject to such chapter.

"(2) For the purpose of computing such former spouse's benefits under sections 224 and 225—

"(A) the retirement benefits shall be equal to 50 percent of the employee's annuity under subchapter III of chapter 83 of such title, or under title II of this Act (computed in accordance with section 302(a) of the Federal Employees' Retire-

ment System Act of 1986 or section 307 of this Act), multiplied by the proportion that the number of days of marriage during the period of the employee's creditable service before the effective date of the election to transfer bears to the employee's total creditable service before such effective date; and

"(B) the survivor benefits shall be equal to 55 percent of the full amount of the employee's annuity computed in accordance with section 302(a) of the Federal Employees' Retirement System Act of 1986 or section 307 of this Act.

"(3) Benefits provided pursuant to this subsection shall be payable from the Central Intelligence Agency Retirement and Disability Fund.".

(b) EFFECTIVE DATE.—Subsection (h) of section 304 of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, as added by subsection (a), shall be deemed to have become effective as of December 2, 1987.

SEC. 310. ELIMINATION OF OVERSEAS SERVICE REQUIREMENT FOR FORMER SPOUSES.

(a) ELIGIBILITY.—Section 204(b)(4) is amended by striking out "at least five years" and all that follows through the period and inserting in lieu thereof "at least five years of which were spent by the participant outside the United States during the participant's service as an employee of the Agency or otherwise in a position the duties of which qualified the participant for designation by the Director as a participant pursuant to section 203.".

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply only to a former husband or wife of a participant or former participant whose divorce from the participant or former participant becomes final after the date of the enactment of this Act.

TITLE IV—GENERAL PROVISIONS

SEC. 401. INCREASE IN EMPLOYEE COMPENSATION AND BENEFITS AUTHORIZED BY LAW.

Appropriations authorized by this Act for salary, pay, retirement, and other benefits for Federal employees may be increased by such additional or supplemental amounts as may be necessary for increases in such compensation or benefits authorized by law.

SEC. 402. RESTRICTION ON CONDUCT OF INTELLIGENCE ACTIVITIES.

The authorization of appropriations by this Act shall not be deemed to constitute authority for the conduct of any intelligence activity which is not otherwise authorized by the Constitution or laws of the United States.

SEC. 403. INTELLIGENCE COMMUNITY CONTRACTING.

The Director of Central Intelligence shall direct that elements of the Intelligence Community, whenever compatible with the national security interests of the United States and consistent with the operational and security concerns related to the conduct of intelligence activities, and where fiscally sound, shall award contracts in a manner that would maximize the procurement of products in the United States. For purposes of this provision, the term "Intelligence Community" has the same meaning as set forth in paragraph 3.4(f) of Executive Order 12333, dated December 4, 1981, or successor orders.

SEC. 404. RATE OF BASIC PAY FOR CIA INSPECTOR GENERAL.

Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following:

"Inspector General, Central Intelligence Agency".

SEC. 405. TRANSPORTATION OF REMAINS OF CERTAIN NSA EMPLOYEES.

The National Security Agency Act of 1959 (50 U.S.C. 402 note) is amended by adding at the end the following new section.

"SEC. 17. (a) The Secretary of Defense may pay the expenses referred to in section 5742(b) of title 5, United States Code, in the case of any employee of the National Security Agency who dies while on a rotational tour of duty within the United States or while in transit to or from such tour of duty.

"(b) For the purposes of this section, the term 'rotational tour of duty', with respect to an employee, means a permanent change of station involving the transfer of the employee from the National Security Agency headquarters to another post of duty for a fixed period established by regulation to be followed at the end of such period by a permanent change of station involving a transfer of the employee back to such headquarters.".

SEC. 406. REPORT CONCERNING CERTAIN UNITED STATES PERSONNEL CLASSIFIED AS PRISONER OF WAR OR MISSING IN ACTION DURING WORLD WAR II OR THE KOREAN CONFLICT.

(a) REPORT.—The Secretary of Defense shall submit to the Select Committee on POW/MIA Affairs and the Committee on Armed Services of the Senate and the Committee on Armed Services and the Permanent Select Committee on Intelligence of the House of Representatives a report which sets forth the following:

(1) The number of members of the Armed Forces or civilian employees of the United States who remain unaccounted for as a result of military actions during World War II or the Korean conflict.

(2) A description of the nature and location of any military records which pertain to those individuals, including the extent to which those records are available to family members or members of the public and the process by which access to those records may be obtained.

(3) An identification and description of any military records (including the location of such records) pertaining to those individuals that are not available to family members or members of the public and a statement explaining why those records are not available to family members or the public.

(4) An assessment of the feasibility and costs of identifying, segregating, and relocating all such records to a central location within the United States, including an estimate of the percentage of those records regarding such individuals that are currently maintained by the Department of Defense.

(b) DEADLINE FOR REPORT.—The report under subsection (a) shall be submitted not later than 90 days after the date of the enactment of this Act.

TITLE V—FEDERAL BUREAU OF INVESTIGATION PROVISIONS

SEC. 501. FBI CRITICAL SKILLS SCHOLARSHIP PROGRAM.

(a) STUDY.—The Director of the Federal Bureau of Investigation shall conduct a study relative to the establishment of an undergraduate training program with respect to employees of the Federal Bureau of Investigation that is similar in purpose, conditions, content, and administration to undergraduate training programs administered by the Central Intelligence Agency (under section 8 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403j)), the National Security Agency (under section 16 of the National Security Agency Act of 1959 (50 U.S.C. 402 (note)), and the Defense Intelligence Agency (under section 1608 of title 10, United States Code).

(b) IMPLEMENTATION.—Any program proposed under subsection (a) may be implemented only after the Department of Justice and the Office of Management and Budget review and approve the implementation of such program.

(c) AVAILABILITY OF FUNDS.—Any payment made by the Director of the Federal Bureau of Investigation to carry out any program proposed to be established under subsection (a) may be made in any fiscal year only to the extent that appropriated funds are available for that purpose.

TITLE VI—CENTRAL INTELLIGENCE AGENCY CONSOLIDATION PLAN

SEC. 601. CENTRAL INTELLIGENCE AGENCY CONSOLIDATION PLAN.

(a) FUNDING LIMITATION.—Of the amount authorized by this Act for the Central Intelligence Agency Program, not more than $10,000,000 is authorized for costs associated with the land acquisition and related expenditures necessary to implement a plan for consolidation of Central Intelligence Agency facilities. None of such funds may be obligated to implement such plan until all of the conditions set forth in subsection (d) have been met and (except as provided in subsection (c)) a period of 60 days beginning on the date on which all of such conditions have been met has expired. Any certification or report required under that subsection shall be provided in writing to the intelligence committees and the appropriations committees. If any of the required certifications cannot be provided, then the Director of Central Intelligence shall reopen the planning process with respect to the consolidation plan to the extent required to address any procedures that were determined to be deficient.

(b) ADDITIONAL FUNDING.—Pursuant to the procedures set forth in the joint explanatory statement of managers to accompany the conference report on the bill H.R. 2038 of the 102d Congress, an amount not to exceed $20,000,000 is authorized and may be made available if the Director determines that funds in addition to the amount specified in subsection (a) are required during fiscal year 1992 for costs associated with the land acquisition and related expenditures necessary to implement the consolidation plan.

(c) LIMITED WAIVER OF 60-DAY REVIEW PERIOD.—The Director may spend not to exceed $500,000 of the funds specified in subsection (a) for options and agreements to ensure the continued availability of property under consideration for the consolidation plan without regard to the 60-day period specified in subsection (a).

(d) CONDITIONS.—The following conditions and certifications must be met before the funds specified in subsection (a) may be obligated:

(1) The Director of Central Intelligence has certified—

(A) that with respect to procedures governing land acquisition by the Central Intelligence Agency—

(i) there are written procedures for such acquisition currently in effect;

(ii) those procedures are consistent with land acquisition procedures of the General Services Administration; and

(iii) the process used by the Central Intelligence Agency in developing the consolidation plan was in accordance with those written procedures; and

(B) that with respect to contracts of the Agency for construction and for the acquisition of movable property, equipment, and services, the procedures of the Agency are consistent with procedures under the Federal Acquisition Regulation.

(2) The Administrator of General Services has provided a written report stating that in the opinion of the Administrator (A) implementing the consolidation plan will result in cost savings to the United States Government, and (B) the consolidation plan will conform to applicable local governmental regulations.

(3) The Director of the Office of Management and Budget has certified—

(A) that the consolidation plan (and associated costs) have been reviewed by the Office of Management and Budget;

(B) that the funding for such plan is consistent with the 1990 budget agreement; and

(C) that funding for such plan has been approved by the Administration for fiscal year 1992.

(4) The Inspector General of the Central Intelligence Agency has certified that corrective actions, if any, recommended as a result of the Inspector General's inquiry into the consolidation plan, and concurred in by the Director of Central Intelligence, will be implemented.

(5) The Director of Central Intelligence has provided to the intelligence committees and appropriations committees a written report on the consolidation plan that includes—

(A) a comprehensive site evaluation, including zoning, site engineering, and environmental requirements, logistics, physical and technical security, and communications compatibility;

(B) a description of the anticipated effect of implementing the consolidation plan on personnel of the Central Intelligence Agency, including a discussion of the organizations and personnel that will be relocated and the rationale for such relocations and the Director's assurance that personnel are consulted and considered in the consolidation effort; and

(C) the Director's assurances that the Director, in evaluating and approving the plan, has considered global changes and budget constraints that may have the effect of reducing Central Intelligence Agency personnel requirements in the future.

(e) DEFINITIONS.—For purposes of this section:

(1) The term "intelligence committees" means the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate.

(2) The term "appropriations committees" means the Committees on Appropriations of the Senate and the House of Representatives.

TITLE VII—BUDGET TOTAL FOR INTELLIGENCE AND INTELLIGENCE-RELATED ACTIVITIES

SEC. 701. SENSE OF CONGRESS REGARDING DISCLOSURE OF ANNUAL INTELLIGENCE BUDGET.

It is the sense of Congress that, beginning in 1993, and in each year thereafter, the aggregate amount requested and authorized for, and spent on, intelligence and intelligence-related activities should be disclosed to the public in an appropriate manner.

TITLE VIII—NATIONAL SECURITY SCHOLARSHIPS, FELLOWSHIPS, AND GRANTS

SEC. 801. SHORT TITLE, FINDINGS, AND PURPOSES.

(a) SHORT TITLE.—This title may be cited as the "National Security Education Act of 1991".

(b) FINDINGS.—The Congress makes the following findings:

(1) The security of the United States is and will continue to depend on the ability of the United States to exercise international leadership.

(2) The ability of the United States to exercise international leadership is, and will increasingly continue to be, based on the political and economic strength of the United States, as well as on United States military strength around the world.

(3) Recent changes in the world pose threats of a new kind to international stability as Cold War tensions continue to decline while economic competition, regional conflicts, terrorist activities, and weapon proliferations have dramatically increased.

(4) The future national security and economic well-being of the United States will depend substantially on the ability of its citizens to communicate and compete by knowing the languages and cultures of other countries.

(5) The Federal Government has an interest in ensuring that the employees of its departments and agencies with national security responsibilities are prepared to meet the challenges of this changing international environment.

(6) The Federal Government also has an interest in taking actions to alleviate the problem of American undergraduate and graduate students being inadequately prepared to meet the challenges posed by increasing global interaction among nations.

(7) American colleges and universities must place a new emphasis on improving the teaching of foreign languages, area studies, and other international fields to help meet those challenges.

(c) PURPOSES.—The purposes of this title are as follows:

(1) To provide the necessary resources, accountability, and flexibility to meet the national security education needs of the United States, especially as such needs change over time.

(2) To increase the quantity, diversity, and quality of the teaching and learning of subjects in the fields of foreign languages, area studies, and other international fields that are critical to the Nation's interest.

(3) To produce an increased pool of applicants for work in the departments and agencies of the United States Government with national security responsibilities.

(4) To expand, in conjunction with other Federal programs, the international experience, knowledge base, and perspectives on which the United States citizenry, Government employees, and leaders rely.

(5) To permit the Federal Government to advocate the cause of international education.

SEC. 802. SCHOLARSHIP, FELLOWSHIP, AND GRANT PROGRAM.

(a) PROGRAM REQUIRED.—

(1) IN GENERAL.—The Secretary of Defense shall carry out a program for—

(A) awarding scholarships to undergraduate students who are United States citizens in order to enable such students to study, for at least one academic semester, in foreign countries that are critical countries (as determined under section 803(d)(4)(A));

(B) awarding fellowships to graduate students who—

(i) are United States citizens to enable such students to pursue education in the United States in the disciplines of foreign languages, area studies, and other international fields that are critical areas of those disciplines (as determined under section 803(d)(4)(B)); and

(ii) pursuant to subsection (b)(2), enter into an agreement to work for an agency or office of the Federal Government or in the field of education in the area of study for which the fellowship was awarded; and

(C) awarding grants to institutions of higher education to enable such institutions to establish, operate, or improve programs in foreign languages, area studies, and other international fields that are critical areas of those disciplines (as determined under section 803(d)(4)(C)).

(2) FUNDING ALLOCATIONS.—Of the amount available for obligation out of the National Security Education Trust Fund for any fiscal year for the purposes stated in paragraph (1), the Secretary shall have a goal of allocating—

(A) ⅓ of such amount for the awarding of scholarships pursuant to paragraph (1)(A);

(B) ⅓ of such amount for the awarding of fellowships pursuant to paragraph (1)(B); and

(C) ⅓ of such amount for the awarding of grants pursuant to paragraph (1)(C).

(3) CONSULTATION WITH NATIONAL SECURITY EDUCATION BOARD.—The program required under this title shall be carried out in consultation with the National Security Education Board established under section 803.

(4) CONTRACT AUTHORITY.—The Secretary may enter into one or more contracts, with private national organizations having an expertise in foreign languages, area studies, and other international fields, for the awarding of the scholarships, fellowships, and grants described in paragraph (1) in accordance with the provisions of this title. The Secretary may enter into such contracts without regard to section 3709 of the Revised Statutes (41 U.S.C. 5) or any other provision of law that requires the use of competitive procedures.

(b) SERVICE AGREEMENT.—In awarding a scholarship or fellowship under the program, the Secretary or contract organization referred to in subsection (a)(4), as the case may be, shall require a recipient of any fellowship, or of scholarships that provide assistance for periods that aggregate 12 months or more, to enter into an agreement that, in return for such assistance, the recipient—

(1) will maintain satisfactory academic progress, as determined in accordance with regulations issued by the Secretary, and agrees that failure to maintain such progress shall constitute grounds upon which the Secretary or contract organization referred to in subsection (a)(4) may terminate such assistance;

(2) will, upon completion of such recipient's baccalaureate degree or education under the program, as the case may be, and in accordance with regulations issued by the Secretary, work for the Federal Government or in the field of education in the area of study for which the scholarship or fellowship was awarded for a period specified by the Secretary, which period for the recipients of scholarships shall be no more than the same period for which scholarship assistance was provided and for the recipients of fellowships shall be not less than one and not more than three times the period for which the fellowship assistance was provided; and

(3) if the recipient fails to meet either of the obligations set forth in paragraph (1) or (2), will reimburse the United States Government for the amount of the assistance provided the recipient under the program, together with interest at a rate determined in accordance with regulations issued by the Secretary.

(c) DISTRIBUTION OF ASSISTANCE.—In selecting the recipients for awards of scholarships, fellowships, or grants pursuant to this title, the Secretary or a contract organization referred to in subsection (a)(4), as the case may be, shall take into consideration (1) the extent to which the selections will result in there being an equitable geographic distribution of such scholarships, fellowships, or grants (as the case may be) among the various regions of the United States, and (2) the extent to which the distribution of scholarships and fellowships to individuals reflects the cultural, racial, and ethnic diversity of the population of the United States.

(d) MERIT REVIEW.—The Secretary shall award scholarships, fellowships, and grants under the program based upon a merit review process.

(e) ADMINISTRATION OF PROGRAM THROUGH THE DEFENSE INTELLIGENCE COLLEGE.—The Secretary shall administer the program through the Defense Intelligence College.

(f) LIMITATION ON USE OF PROGRAM PARTICIPANTS.—No person who receives a grant, scholarship, or fellowship or any other type of assistance under this title shall, as a condition of receiving such assistance or under any other circumstances, be used by any department, agency, or entity of the United States Government engaged in intelligence activities to undertake any activity on its behalf during the period such person is pursuing a program of education for which funds are provided under the program carried out under this title.

SEC. 803. NATIONAL SECURITY EDUCATION BOARD.

(a) ESTABLISHMENT.—The Secretary of Defense shall establish a National Security Education Board.

(b) COMPOSITION.—The Board shall be composed of the following individuals or the representatives of such individuals:

(1) The Secretary of Defense, who shall serve as the chairman of the Board.

(2) The Secretary of Education.

(3) The Secretary of State.

(4) The Secretary of Commerce.

(5) The Director of Central Intelligence.

(6) The Director of the United States Information Agency.

(7) Four individuals appointed by the President, by and with the advice and consent of the Senate, who shall be experts in the fields of international, language, and area studies education.

(c) TERM OF APPOINTEES.—Each individual appointed to the Board pursuant to subsection (b)(7) shall be appointed for a period specified by the President at the time of the appointment, but not to exceed four years. Such individuals shall receive no compensation for service on the Board but may receive reimbursement for travel and other necessary expenses.

(d) FUNCTIONS.—The Board shall perform the following functions:

(1) Develop criteria for awarding scholarships, fellowships, and grants under this title.

(2) Provide for wide dissemination of information regarding the activities assisted under this title.

(3) Establish qualifications for students desiring scholarships or fellowships, and institutions of higher education desiring grants, under this title, including, in the case of students desiring a scholarship or fellowship, a requirement that the student have a demonstrated commitment to the study of the discipline for which the scholarship or fellowship is to be awarded.

(4) Make recommendations to the Secretary regarding—

(A) which countries are not emphasized in other United States study abroad programs, such as countries in which few United States students are studying, and are, therefore, critical countries for the purposes of section 802(a)(1)(A);

(B) which areas within the disciplines described in section 802(a)(1)(B) are areas of study in which United States students are deficient in learning and are, therefore, critical areas within those disciplines for the purposes of that section;

(C) which areas within the disciplines described in section 802(a)(1)(C) are areas in which United States students, educators, and Government employees are deficient in learning and in which insubstantial numbers of United States institutions of higher education provide training and are, therefore, critical areas within those disciplines for the purposes of that section; and

(D) how students desiring scholarships or fellowships can be encouraged to work for an agency or office of the Federal Government involved in national security affairs or national security policy upon completion of their education.

(5) Review the administration of the program required under this title.

SEC. 804. NATIONAL SECURITY EDUCATION TRUST FUND.

(a) ESTABLISHMENT OF FUND.—There is established in the Treasury of the United States a trust fund to be known as the "National Security Education Trust Fund". The assets of the Fund consist of amounts appropriated to the Fund and amounts credited to the Fund under subsection (e).

(b) AVAILABILITY OF SUMS IN THE FUND.—(1) Sums in the Fund shall, to the extent provided in appropriations Acts, be available—

(A) for awarding scholarships, fellowships, and grants in accordance with the provisions of this title; and

(B) for properly allocable costs of the Federal Government for the administration of the program under this title.

(2) No amount may be appropriated to the Fund, or obligated from the Fund, unless authorized by law.

(c) INVESTMENT OF FUND ASSETS.—The Secretary of the Treasury shall invest in full the amount in the Fund that is not immediately necessary for obligation. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose, such obligations may be acquired on original issue at the issue price or by purchase of outstanding obligations at the market price. The purposes for which obligations of the United States may be issued under chapter 31 of title 31, United States Code, are hereby extended to authorize the issuance at par of special obligations exclusively to the Fund. Such special obligations shall bear interest at a rate equal to the average rate of interest, computed as to the end of the calendar month next preceding the date of such issue, borne by all marketable interest-bearing obligations of the United States then forming a part of the public debt, except that where such average rate is not a multiple of 1/8 of 1 percent, the rate of interest of such special obligations shall be the multiple of 1/8 of 1 percent next lower than such average rate. Such special obligations shall be issued only if the Secretary of the Treasury determines that the purchases of other interest-bearing obligations of the United States, or of obligations guaranteed as to both principal and interest by the United States or original issue or at the market price, is not in the public interest.

(d) AUTHORITY TO SELL OBLIGATIONS.—Any obligation acquired by the Fund (except special obligations issued exclusively to the Fund) may be sold by the Secretary of the Treasury at the market price, and such special obligations may be redeemed at par plus accrued interest.

(e) AMOUNTS CREDITED TO FUND.—(1) The interest on, and the proceeds from the sale or redemption of, any obligations held in the Fund shall be credited to and form a part of the Fund.

(2) Any amount paid to the United States under section 802(b)(3) shall be credited to and form a part of the Fund.

SEC. 805. REGULATIONS AND ADMINISTRATIVE PROVISIONS

(a) REGULATIONS.—The Secretary may prescribe regulations to carry out the program required by this title. Before prescribing any such regulations, the Secretary shall submit a copy of the proposed regulations to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives. Such proposed regulations may not take effect until 30 days after the date on which they are submitted to those committees.

(b) ACCEPTANCE AND USE OF GIFTS.—In order to conduct the program required by this title, the Secretary may—

(1) receive money and other property donated, bequeathed, or devised, without condition or restriction other than that it be used for the purpose of conducting the program required by this title; and

(2) may use, sell, or otherwise dispose of such property for that purpose.

(c) VOLUNTARY SERVICES.—In order to conduct the program required by this title, the Secretary may accept and use the services of voluntary and noncompensated personnel.

(d) NECESSARY EXPENDITURES.—Expenditures necessary to conduct the program required by this title shall be paid from the Fund, subject to section 804(b).

SEC. 806. ANNUAL REPORT.

(a) ANNUAL REPORT.—The Secretary shall submit to the President and to the Congress an annual report of the conduct of the program required by this title. The report shall be submitted each year at the time that the President's budget for the next fiscal year is submitted to Congress pursuant to section 1105 of title 31, United States Code.

(b) CONTENTS OF REPORT.—Each such report shall contain—

(1) an analysis of the trends within language, international, and area studies, along with a survey of such areas as the Secretary determines are receiving inadequate attention;

(2) the effect on those trends of activities under the program required by this title;

(3) an analysis of the assistance provided under the program for the previous fiscal year, to include the subject areas being addressed and the nature of the assistance provided;

(4) an analysis of the performance of the individuals who received assistance under the program during the previous fiscal year, to include the degree to which assistance was terminated under the program and the extent to which individual recipients failed to meet their obligations under the program;

(5) an analysis of the results of the program for the previous fiscal year, and cumulatively, to include, at a minimum—

(A) the percentage of individuals who have received assistance under the program who subsequently became employees of the United States Government;

(B) in the case of individuals who did not subsequently become employees of the United States Government, an analysis of the reasons why they did not become employees and an explanation as to what use, if any, was made of the assistance by those recipients; and

(C) the uses made of grants to educational institutions; and

(6) any legislative changes recommended by the Secretary to facilitate the administration of the program or otherwise to enhance its objectives.

(c) SUBMISSION OF INITIAL REPORT.—The first report under this section shall be submitted at the time the budget for fiscal year 1994 is submitted to Congress.

SEC. 807. GENERAL ACCOUNTING OFFICE AUDITS.

The conduct of the program required by this title may be audited by the General Accounting Office under such rules and regulations as may be prescribed by the Comptroller General of the United States. Representatives of the General Accounting Office shall have access to all books, accounts, records, reports, and files and all other papers, things, or property of the Department of Defense pertaining to such activities and necessary to facilitate the audit.

SEC. 808. DEFINITIONS.

For the purpose of this title:

(1) The term "Board" means the National Security Education Board established pursuant to section 803.

(2) The term "Fund" means the National Security Education Trust Fund established pursuant to section 804.

(3) The term "institution of higher education" has the meaning given that term by section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

SEC. 809. FISCAL YEAR 1992 FUNDING.

(a) AUTHORIZATION OF APPROPRIATIONS TO THE FUND.—There is hereby authorized to be appropriated to the Fund for fiscal year 1992 the sum of $150,000,000.

(b) AUTHORIZATION OF OBLIGATIONS FROM THE FUND.—During fiscal year 1992, there may

be obligated from the Fund such amounts as may be provided in appropriations Acts, not to exceed $35,000,000. Amounts made available for obligation from the Fund for fiscal year 1992 shall remain available until expended.

And the Senate agree to the same.

From the Permanent Select Committee on Intelligence, for consideration of the House bill, and the Senate amendment, and modifications committed to conference:

DAVE MCCURDY,
CHARLES WILSON,
BARBARA B. KENNELLY,
DAN GLICKMAN,
NICHOLAS MAVROULES,
BILL RICHARDSON,
STEPHEN J. SOLARZ,
NORMAN DICKS,
RONALD V. DELLUMS,
DAVID BONIOR,
MARTIN OLAV SABO,
WAYNE OWENS,
BUD SHUSTER (except for titles VII and VIII and dropping section 404 of the House bill),
LARRY COMBEST (except for titles VII and VIII and dropping section 404 of the House bill),
DOUGLAS BEREUTER (except for titles VII and VIII and dropping section 404 of the House bill),
ROBERT K. DORNAN (except for titles VII and VIII and dropping section 404 of the House bill),
C.W. BILL YOUNG (except for titles VII and VIII and dropping section 404 of the House bill),
DAVID O'B. MARTIN (except for titles VII and VIII and dropping section 404 of the House bill),
GEORGE W. GEKAS (except for titles VII and VIII and dropping section 404 of the House bill),

As additional conferees from the Committee on Armed Services, for consideration of matters within the jurisdiction of that committee under clause 1(c) of rule X:

LES ASPIN,
IKE SKELTON,
WILLIAM L. DICKINSON,

As additional conferees from the Committee on Education and Labor, for consideration of title VII of the Senate amendment, and modifications committed to conference:

WILLIAM D. FORD,
PAT WILLIAMS,
CHARLES A. HAYES,

As additional conferees from the Committee on Post Office and Civil Service, for consideration of titles III (except sec. 301) and VI of the Senate amendment, and modifications committed to conference:

WILLIAM L. CLAY,
GERRY SIKORSKI,
GARY L. ACKERMAN,
BENJAMIM A. GILMAN,
JOHN MYERS,

Managers on the Part of the House.

DAVID L. BOREN,
SAM NUNN,
FRITZ HOLLINGS,
BILL BRADLEY,
ALAN CRANSTON,
DENNIS DECONCINI,
HOWARD M. METZENBAUM,
JOHN GLENN,
FRANK H. MURKOWSKI,
JOHN W. WARNER,
ALFONSE D'AMATO,
JOHN C. DANFORTH,
WARREN RUDMAN,
SLADE GORTON,
JOHN H. CHAFEE,
J. JAMES EXON,
STROM THURMOND,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2038) to authorize appropriations for fiscal year 1992 for the intelligence and intelligence-related activities of the United States Government, for the Intelligence Community Staff, for the Central Intelligence Agency Retirement and Disability System, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

TITLE I—INTELLIGENCE ACTIVITIES

Due to the classified nature of intelligence and intelligence-related activities, a classified annex to this joint explanatory statement serves as a guide to the classified Schedule of Authorizations by providing a detailed description of program and budget authority contained therein as reported by the Committee of Conference.

The actions of the conferees on all matters at difference between the two Houses are shown below or in the classified annex to this joint statement.

A special conference group resolved differences between the House and Senate regarding Dodd intelligence related activities, referred to as Tactical Intelligence and Related Activities (TIARA). This special conference group was necessitated by the differing committee jurisdictions of the intelligence committees of the House and the Senate, and consisted of members of the House and Senate Committees on Armed Services and the House Permanent Select Committee on Intelligence.

The amounts listed for TIARA programs represent the funding levels jointly agreed to by the TIARA conferees and the House and Senate conferees for the national Defense Authorization Act for Fiscal Years 1992 and 1993. In addition, the TIARA conferees have agreed on the authorization level, as listed in the classified Schedule of Authorizations, the joint statement, and its classified annex, for TIARA programs which fall into the appropriation category of Military Pay.

SECTIONS 101 AND 102

Sections 101 and 102 of the conference report authorize appropriations for the intelligence and intelligence-related activities of the United States Government for fiscal year 1992 and establish personnel ceilings applicable to such activities.

SECTION 103

Section 103 of the conference report authorizes the Director of Central Intelligence to make adjustments in personnel ceilings in certain circumstances. Section 103 of the conference report is identical to section 103 of the House bill and section 103 of the Senate amendment.

The conferees emphasize that the authority conveyed by section 103 is not intended to permit the wholesale raising of personnel strength in each or any intelligence component. Rather, the section provides the Director of Central Intelligence with flexibility to adjust personnel levels temporarily for contingencies and for overages caused by an imbalance between hiring of new employees and attrition of current employees from retirement, resignation, and so forth. The conferees do not expect the Director of Central Intelligence to allow heads of intelligence components to plan to exceed personnel levels set in the Schedule of Authorizations except for the satisfaction of clearly identified hiring needs which are consistent with the authorization of personnel strengths in this bill. In no case is this authority to be used to provide for positions denied by this Act.

TITLE II—INTELLIGENCE COMMUNITY STAFF

Title II of the conference report authorizes appropriations and personnel end-strengths for fiscal year 1992 for the Intelligence Community Staff and provides for administration of the staff during fiscal year 1992 in the same manner as the Central Intelligence Agency. The conference report authorizes $31,219,000 and 218 personnel. Included in the funds authorized for the Intelligence Community Staff are $6,566,000 and 50 personnel for the Security Evaluation Office (SEO), and $2,000,000 and 3 personnel to provide a full-time staff and an operational budget for the Director of Central Intelligence's Foreign Language Committee. The House bill authorized $30,719,000 and 213 personnel. The Senate amendment authorized $28,832,000 and 240 personnel.

The conferees agreed to a net reduction of 22 personnel in the Intelligence Community Staff to underscore their belief that the current structure and activities of the Staff cannot justify the requested personnel levels. If the Director of Central Intelligence concludes that coordination of issues across the intelligence community should be performed by an Intelligence Community Staff with strengthened authority, the conferees expect that the fiscal year 1993 budget request will reflect a clear basis for that conclusion.

TITLE III—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

SECTION 301

Section 301 of the conference report authorizes appropriations for fiscal year 1992 of $164,100,000 for the Central Intelligence Agency Retirement and Disability Fund. Both Section 301 of the House bill and Section 301 of the Senate amendment authorized $164,100,000.

Section 301 also clarifies that, except as otherwise expressly provided, any amendment or repeal in Title III of the conference report shall be treated as being an amendment or repeal to the Central Intelligence

Agency Retirement and Disability Act of 1964 for Certain Employees (50 U.S.C. 403 note).

The conferees intend to review in 1992 the entire Central Intelligence Agency Retirement Act of 1964 for Certain Employees to amend those provisions of the Act which have been subject to executive order since January 1, 1975 and to make other technical corrections. Therefore, the conferees direct the Central Intelligence Agency to undertake a systematic review of the Act and to submit to the intelligence committees by February 1, 1992, a comprehensive proposal to bring greater clarity and consistency to the Act.

SECTION 302

Section 302 of the Senate amendment amended subsections (c), (d) and (e) of Section 221, and subsections (c) and (d) of Section 232 of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees with respect to the computation of survivor benefits for the children of a deceased participant or annuitant in the CIA Retirement and Disability System (CIARDS). The Senate amendment provided that children with a living parent, whether that parent is a surviving spouse or former spouse of the deceased participant or annuitant, shall receive an annuity paid at the rate applicable to single orphans as opposed to double orphans. The House bill did not contain a similar provision.

The conferees agreed to adopt the Senate provisions as Section 302 of the conference report with technical drafting changes and an amendment providing that the change in the computation of survivor benefits shall be applicable only where the death of the participant or annuitant occurs after the first day of the fourth month beginning after the enactment date of the conference report. Children with a living parent who are currently receiving double orphan benefits are to be held harmless. Similar changes were made to the Civil Service Retirement System (CSRS) in 1984 and to the Foreign Service Retirement System (FSRS) in 1988.

SECTION 303

Section 303 of the conference report amends Section 221 of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees to provide a second, 18-month survivor benefit election opportunity during which CIARDS retirees may provide for or increase a current spouse survivor annuity. Section 303 is similar to Section 303 of the Senate amendment, however, Section 303 contains significant technical drafting changes including a redrafted effective date provision which better reflects the description of the provision in the Senate report (S. Rpt. 102-117).

The House bill did not contain a similar provision.

SECTION 304

Section 304 of the conference report amends Section 224(c)(2)(A) of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees to provide the Director of Central Intelligence the authority to waive the requirement that certain qualified former spouses apply for CIARDS survivor benefits within 30 months of October 1, 1986. Section 304 is identical to Section 304 of the Senate amendment except for technical drafting changes.

The House bill did not contain a similar provision.

SECTION 305

Section 305 of the conference report amends Section 231(b)(1) of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees to give the Director of Central Intelligence the authority to issue regulations providing for reimbursement of less than 100 percent of the costs associated with CIARDS disability retirement examinations. Section 305 is identical to Section 305 of the Senate amendment except for technical drafting changes.

The House bill did not contain a similar provision.

SECTION 306

Section 306 of the conference report amends subsections (a) and (b) of Section 226 of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees to allow survivor benefits to be provided for a previous spouse by court order or an election in the case of all CIARDS annuitants (regardless of the annuitant's date of retirement) whose divorce occurs on or after September 30, 1990. Section 306 also makes certain other technical changes in Section 226 of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees. Section 306 is identical to Section 306 of the Senate amendment except for technical drafting changes.

The House bill did not contain a similar provision.

SECTION 307

Section 307 of the conference report amends Section 235(b) of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees to make a technical correction to the mandatory retirement provisions of CIARDS to link the mandatory retirement age of CIARDS to the pay schedule of the Senior Intelligence Service (SIS). Section 307 is identical to Section 307 of the Senate amendment except for technical drafting changes.

The House bill did not contain a similar provision.

SECTION 308

Section 308 amends Section 8351 of title 5 of the United States Code to clarify that CIA foreign national employees who serve overseas and are subject to the Civil Service Retirement System (CSRS) are precluded from Thrift Savings Plan (TSP) participation effective January 1, 1987. Section 308 also provides for a refund of contributions to the TSP, plus earnings, if any, if such contributions have been made. Section 308 is identical to subsections (b) and (d) of Section 308 of the Senate amendment except for technical drafting changes. The conferees agreed that inclusion of subsections (a) and (c) of Section 308 of the Senate amendment was unnecessary because current law precludes federal employees covered under other federal retirement plans from participation in CSRS or the Federal Employees Retirement System (FERS).

SECTION 309

Section 309 of the Senate amendment redrafted Section 304 of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees to consolidate the special entitlements and rules that apply to qualified former spouses of CIA employees covered under the Federal Employees' Retirement System (FERS). In addition, Section 309 eliminated the entitlement of former spouses to an automatic statutory share of benefits payable under subchapter III of FERS, the Thrift Savings Plan (TSP).

Although the conferees agreed that Section 304 of the 1964 Act needs to be redrafted, they were not persuaded that the imposition of a pro-rata division of TSP benefits is either unreasonable or unworkable. The conferees were concerned that the TSP represents a major portion of the retirement benefits of retirees under FERS and that any change in the entitlement of qualified former spouses to TSP benefits should be taken only after full and careful consideration of the change.

Nevertheless, the conferees did agree to include one provision of Section 309 of the Senate amendment in the conference report. This provision, which was subsection (g) of the amended Section 304 in the Senate amendment, clarifies that certain former spouses of Agency employees divorced on or before November 15, 1982, will be entitled to receive the retirement and survivor benefits provided under Sections 224 and 225 of the 1964 Act, even if the Agency employee transferred into FERS. Currently, the benefits of Sections 224 and 225, which are provided solely by special appropriation, apply only to those eligible former spouses of Agency employees who are covered under CIARDS or the Civil Service Retirement System. Section 309 of the conference report adds a new subsection (h) to Section 304 of the 1964 Act and is deemed to be effective as of December 2, 1987.

The House bill did not contain a similar provision.

SECTION 310

Section 310 of the conference report amends Section 204(b)(4) of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees to eliminate the requirement that a former husband or wife of a participant or former participant must have spent five years outside the United States to qualify for "former spouse" benefits. Under the amended section, to qualify for "former spouse" benefits, the spouse must have been married to the participant for at least ten years during periods of creditable service by the participant, at least five years of which must have been spent by the participant outside the United States as an employee of the Central Intelligence Agency or otherwise in a position whose duties have qualified the participant for designation by the Director as a participant. The amended section or former participant becomes final after the date of enactment of this Act. Section 310 is identical to Section 310 of the Senate amendment except for technical drafting changes.

The House bill did not contain a similar provision.

TITLE IV—GENERAL PROVISIONS

SECTION 401

Section 401 of the conference report provides that appropriations authorized by the conference report for salary, pay, retirement and other benefits for Federal employees may be increased by such additional or supplemental amounts as may be necessary for increases in such compensation or benefits authorized by law. Section 401 is identical to section 401 of the House bill and to section 401 of the Senate amendment.

SECTION 402

Section 402 of the conference report provides that the authorization of appropriations by the conference report shall not be deemed to constitute authority for the conduct of any intelligence activity which is not otherwise authorized by the Constitution or laws of the United States. Section 402 is identical to section 402 of the House bill. The Senate amendment did not contain a similar provision.

SECTION 403

Section 403 of the conference report requires the Director of Central Intelligence to

direct that elements of the Intelligence Community should award contracts in a manner that would maximize the procurement of products produced in the United States. Such direction shall occur when compatible with the national security interests of the United States and consistent with the operational and security concerns related to the conduct of intelligence activities, and where fiscally sound. The conferees note that the use of a differential in evaluating the bids of domestic and foreign firms is not inconsistent with the meaning of the term "fiscally sound." Section 403 is identical to section 403 of the House bill. The Senate amendment did not contain a similar provision.

SECTION 404

Section 404 of the conference report provides that the position of Inspector General of the Central Intelligence Agency (CIA) will be entitled to compensation at a statutory level comparable to the Inspectors General at other government agencies, including the Departments of State and Defense. The enabling legislation which created the CIA Inspector General did not establish a statutory level of compensation for that office.

Section 404 is identical to section 601 of the Senate amendment. The House bill did not contain a similar provision.

SECTION 405

Section 405 of the conference report authorizes the Secretary of Defense to pay expenses incurred when an employee of the National Security Agency dies while on a rotational tour of duty within the United States or while in transit to or from such tour of duty. The authorization provided by section 405 would extend to the expenses associated with transporting the employee's dependents and family effects, as well as the employee's remains, from the duty location to the employee's former home or official station, or such other place as determined by the Secretary.

A "rotational tour of duty" occurs when the National Security Agency transfers an employee from the headquarters of the agency to another duty site in the United States for a fixed, relatively brief period of time established by regulation, with the intent to return the employee to agency headquarters at the end of that period.

Section 405 is identical to section 801 of the Senate amendment. The House bill did not contain a similar provision.

SECTION 406

Section 406 of the conference report reflects the conferrers' agreement on sections 501–503 of the House bill which required the head of each department or agency which holds or receives any information on personnel listed as prisoner of war or missing in action after 1940 to make available to the public such records or information not later than 180 days after enactment. The House bill prohibited disclosure of information that would reveal sources or methods of intelligence collection, and no records which specifically mention by name a United States service member could be released unless express permission were granted by specified relatives of the service member, if those relatives were alive. In addition, the House bill required agencies within the Department of Defense to compile and make available to the public a complete list of all personnel classified after 1940 as prisoner of war, missing in action or killed in action (body not returned). The amendment did not contain a similar provision.

The conferees noted that the issues raised by sections 501–503 of the House bill had been addressed in the conference on the National Defense Authorization Act for Fiscal Years 1992 and 1993, H.R. 2100. The conferees agreed that it was unnecessary to repeat in the intelligence authorization bill the provisions on the release of information pertaining to Vietnam-era prisoners of war and missing in action which will appear as section 1082 of the National Defense Authorization Act for Fiscal Years 1992 and 1993. These provisions require the Secretary of Defense to place in a library-life facility within the National Capital region for public review and photocopying any record, live-sighting report or other information that relates to the location, treatment or condition of any Vietnam-era POW/MIA (member of the Armed Forces or civilian employee of the United States) whose person or remains have not been returned to United States control.

The conferees also noted that the National Defense Authorization Act for Fiscal Years 1992 and 1993 does not require that records pertaining to World War II or Korean conflict POW/MIA's be made publicly available in the same manner as required for records of Vietnam-era POW/MIA's. The conferees were concerned that there is insufficient information currently available concerning the numbers of United States military and civilian employee personnel who remain unaccounted for as a result of military actions during World War II and the Korean conflict, the location of records pertaining to those personnel, and the feasibility of expanding public access to those records.

Therefore, the conferees agreed to require the Secretary of Defense to submit, within 90 days of enactment, a report to the Select Committee on POW/MIA Affairs and the Armed Services Committee of the Senate, and the Permanent Select Committee on Intelligence and the Armed Services Committee of the House of Representatives setting forth:

(1) The number of members of the Armed Forces or civilian employees who remain unaccounted for as a result of military actions during World War II or the Korean conflict;

(2) A description of the nature and location of any military records which pertain to such individuals, including the extent to which such records are available to family members or members of the public and the process by which access to such records may be obtained;

(3) An identification and description of any military records (including the location of such records) pertaining to such individuals that are not available to family members or members of the public, and a statement explaining why such records are not available to family members or the public; and

(4) An assessment of the feasibility and costs of identifying, segregating, and relocating all such records to a central location within the United States, including an estimate of the percentage of such records regarding such individuals which are currently maintained by the Department of Defense.

The conferees are encouraged by the fact that the issue of public access to information pertaining to missing United States personnel has received significant attention in the Congress and in the Department of Defense since passage of the House bill on June 11, 1991. The conferees believe that the result of the actions taken by Congress on this issue this year will be to ensure greater public availability of this information in a way which will not compromise national security or violate family privacy.

TITLE V—FEDERAL BUREAU OF INVESTIGATION PROVISIONS

SECTION 501

Section 501 of the conference report directs the Director of the Federal Bureau of Investigation (FBI) to conduct a study to determine the feasibility of establishing an undergraduate training program, including training which may lead to the baccalaureate degree, to facilitate the recruitment of individuals, particularly minority high school students, with a demonstrated capability to develop skills critical to the FBI's mission. Any program proposed as a result of the study may be implemented only after the review and approval of the Department of Justice and the Office of Management and Budget, and only to the extent that appropriated funds are available for that purpose.

Section 501 is identical to section 501 of the Senate amendment. The House bill did not contain a similar provision.

TITLE VI—CENTRAL INTELLIGENCE AGENCY CONSOLIDATION PLAN

SECTION 601

Section 601 reflects the conferees' agreement with respect to a matter raised in the classified annex accompanying the report on the Senate amendment (Senate Report 102–117).

The conferees have provided $20 million above the budget request in the Agency Management Base to serve as a source of funds for a reprogramming for the Central Intelligence Agency Consolidation Plan should the Director of Central Intelligence (DCI) determine that funds in addition to the funds specifically authorized for the consolidation plan by this Act are necessary during fiscal year 1992. If the DCI requests that all, or a portion of the $20 million be made available, such request shall be considered pursuant to established reprogramming procedures.

TITLE VII—BUDGET TOTAL FOR INTELLIGENCE AND INTELLIGENCE-RELATED ACTIVITIES

SECTION 701

Section 104 of the Senate amendment required that the President's annual budget submission contain unclassified statements of the total amount of intelligence-related spending requested for the coming year and the total amount expended in the previous fiscal year. Section 105 required that the conference report on the intelligence authorization bill contain an unclassified statement of the total amount authorized for intelligence and intelligence-related activities. Section 106 delayed the effective date of sections 104 and 105 until the enactment of the intelligence authorization bill for fiscal year 1993. The House bill contained no similar provisions.

While agreeing with the objective of the Senate provisions, and believing that Congress should take a clear position in favor of the public disclosure of the intelligence budget total, as recommended by the Senate, the conferees believed it preferable to indicate this position in a "sense of the Congress" provision, rather than mandate such disclosures by law at this time. It is the conferees' hope that the Committees, working with the President, will, in 1993, be able to make such information available to the American people, whose tax dollars fund these activities, in a manner that does not jeopardize U.S. national security interests.

TITLE VIII—NATIONAL SECURITY SCHOLARSHIPS, FELLOWSHIPS AND GRANTS

Title VII of the Senate amendment authorized the creation of a National Security Education Trust Fund, funded at a level of

$180,000,000, which would have been invested in interest-bearing obligations of the United States. Interest generated would have been used to fund undergraduate scholarships, graduate fellowships, and grants to educational institutions in the areas of international studies, area studies, and foreign languages. The objectives of this title were to enhance the quality of U.S. educational programs in these fields, as well as enable the United States Government to develop a pool of potential employees with knowledge of particular cultures, languages, or governments by making it possible for many more U.S. students to study abroad.

Under the Senate amendment, funding for the program was authorized to be appropriated to the Secretary of Defense who, in turn, was authorized to transfer such funds to a trust fund to have been established in the Treasury. This trust fund would have been administered in accordance with policies and criteria established by a National Security Education Board, chaired by the Secretary of Defense or his representative. Members of the Board were to have been the Secretaries of Education, State, and Commerce, the Director of Central Intelligence, the Director of the U.S. Information Agency, or their respective representatives, and four individuals appointed by the President with the advice and consent of the Senate. The Board was to identify the areas where, from the standpoint of the Government, U.S. expertise or capability was lacking or deficient, and establish criteria for the award of assistance under the program.

The Senate amendment itself provided a number of general criteria to govern the award of assistance. For example, the annual distribution of assistance would have been apportioned approximately in thirds: one-third to undergraduate scholarships; one-third to graduate fellowships; and one-third to U.S. educational institutions. It also provided that the awards in each category would have been based upon a merit review process, however, the Board was authorized to take into account the need to provide for an equitable distribution of such assistance among the various geographic regions of the United States.

The Senate amendment also provided that persons receiving graduate fellowships under the program would, as a condition of receiving such assistance, enter into an agreement with the Secretary in which such persons agreed to maintain satisfactory academic progress, and agreed to work for the federal government or in the field of education upon the completion of their education, for a period determined by the Secretary of at least one year and no more than three years for each year a fellowship was awarded.

The Senate amendment required the Secretary to administer the program through the Defense Intelligence College but also authorized the Secretary to enter into contracts with private national organizations to carry out the program. It also required that the Secretary submit an annual report to the President and the Congress concerning the operation of the program.

Finally, the Senate amendment provided that from the amounts transferred to the trust fund, the Secretary would reserve for fiscal year 1992: (1) $15,000,000 to award scholarships for undergraduate study abroad; (2) $10,000,000 to award fellowships for graduate school studies; and (3) $10,000,000 for grants to educational institutions.

The conferees support the objectives of the Senate amendment, believing it will make an important and continuing contribution to the nation's security. They also agree generally with the framework for the program proposed by the Senate amendment. Nevertheless, there were a number of modifications to the Senate amendment which the conferees agreed were desirable.

First, the conferees agreed that the objectives of the program could be met with a trust fund authorized at a level of $150,000,000 rather than the $180,000,000 provided by the Senate amendment. Accordingly, section 809 of the conference report authorizes an amount of $150,000,000 to be transferred to the National Security Education Trust Fund established by the Act.

The Senate amendment provided that fellowships and scholarships under the program could be awarded to U.S. citizens and resident aliens. Inasmuch as a primary objective of the program is to develop a pool of potential employees to work in the national security agencies of the U.S. Government, the conferees believe that the assistance awarded to individuals under the program should be limited to U.S. citizens. Subsection 802(a)(1) has been limited accordingly.

The Senate amendment provided that only persons awarded graduate fellowships were required to enter into an agreement under which they would agree to a period of employment with the federal government, or service in the field of education, after completion of their baccalaureate degree. The conferees believe that where scholarships are provided to undergraduates, and such assistance is provided for a period which aggregates 12 months or more, the recipients should also be required, as a condition of such assistance, to agree to work for the federal government, or in the field of education, after the completion of their education for a period not longer than the period such assistance was provided. Section 802(b)(2) of the conference bill reflects this modification.

The conferees also agreed that the Senate amendment required clarification of the obligations of recipients of fellowships (to be known as "International Graduate Fellows") and scholarships (to be known as "International Exchange Scholars") who were required to enter into service agreements. Thus, subsection 802(b)(1) of the conference report provides that a failure of such recipients to maintain satisfactory academic progress, as determined in accordance with regulations issued by the Secretary of Defense, shall constitute grounds for termination of the assistance in question. Subsection 802(b)(3) further provides that should a recipient fail to maintain such progress, or fail to satisfy the commitment to work for the federal government or in the field of education after the completion of his or her baccalaureate degree or education under the program, as the case may be, the recipient is obligated to reimburse the United States Government for the cost of the assistance previously provided under the program, together with interest at a rate determined in accordance with regulations issued by the Secretary of Defense. Section 804(e) provides that any such amount reimbursed to the Government shall be returned to the Fund itself.

The Senate amendment provided that the awards in each category were to be based upon a merit review process, but the Secretary or the contract organization administering the award program was also authorized to take into account the need to provide for an equitable distribution of such assistance among the various geographic regions of the United States. The conferees also believe it desirable that the Secretary or contract organization take into account the need for the recipients of such assistance to reflect the broad cultural, racial, and ethnic diversity that exists among the American people. Thus, subsection 802(c) of the conference bill provides that the need to reflect such diversity be taken into account in the award of assistance to individuals.

The conferees also believe it desirable to modify the Senate amendment to make clear that no person who receives a scholarship or a fellowship under this program shall be used to carry out any activity on the part of any element of the United States Government involved in intelligence activities. It must be clear to foreign governments and organizations who host U.S. citizens receiving assistance under this program that the individuals concerned are engaged in purely academic pursuits. Accordingly, a new subsection 802(f) has been added to the conference bill providing that individual recipients of assistance under this program may not be used to undertake any activity on behalf of an intelligence agency of the U.S. Government during the period assistance is provided.

The Senate amendment was silent with respect to whether the amounts to be expended from the Fund each year were subject to annual congressional authorizations. The conferees agreed that such amounts should be subject to such authorizations and appropriations in order to provide Congress a significant continuing role in the administration of the program. Subsection 804(b)(2) reflects this change to the Senate amendment. The conferees also added a new subsection 805(d) making clear that expenditures necessary to conduct the program are to be paid from the Fund, subject to the annual authorizations.

Although the Senate amendment contained a requirement that Secretary provide an annual report to the President and the Congress concerning the operation of the program, the conference agreed that the requirements specified for the report were deficient in terms of eliciting relevant data concerning the results produced by the program. Accordingly, the conferees added new requirements for the annual report, to include:

An analysis of the assistance provided under the program, to include the subject areas being addressed;

An analysis of the performance of the individuals who received assistance under the program, to include information on the number who failed to meet their obligations under the program;

An analysis of the results of the program, both for the previous fiscal year and cumulatively, to include the percentage of recipients who became employees of the federal government, the uses made by the assistance by other recipients, and the uses made of the assistance by educational institutions, and

Any legislative changes recommended by the Secretary to facilitate the administration of the program or otherwise to enhance its objectives.

The conferees determined that the first such annual report should be submitted at the time the budget for fiscal year 1994 is submitted to the Congress.

Finally, the conferees agreed to add a provision section 809(b), authorizing up to $35 million to be obligated from the fund in fiscal year 1992. Such funds as may be provided through appropriations in fiscal year 1992 are to remain available for obligation until expended.

Organizational Initiatives

Both Committees had directed or endorsed certain organizational initiatives in the re-

port on their respective bills. These were motivated, in large part, by the lessons learned from DESERT SHIELD/DESERT STORM. The recommendations also represented, however, the first steps proposed by each Committee as a result of their respective ongoing reviews of the organizational structure of the intelligence community.

In its actions on the FY 1992 budget, the House—

Transferred three military service-supported S&T centers—Army's Armed Forces Medical Intelligence Command (AFMIC), Army's Missile and Space Technology Center (MSTC), and another activity reflected in the schedule of authorizations—to DIA and designated them field production activities.

Gave DIA direction, control and authority over three additional military service-supported S&T centers—Air Force's Foreign Technology Division (FTD), Army's Foreign Science and Technology Center (FSTC), Navy's Naval Technical Intelligence Command (NTIC), as well as all foreign materiel programs within the GDIP (included in the military service S&T budgets that HPSCI transferred to DIA).

Transferred the military services' human intelligence (HUMINT) budgets as well as DoD's Foreign Counterintelligence (FCI) budget to DIA in order to give the agency clear control over all resources and the authorities to centrally manage all defense HUMINT activities in DoD and manage an integrated HUMINT/CI program.

The Senate, for its part, adopted report language which called for the following organizational changes:

The creation of an Assistant Deputy Director of Operations for Military Support at CIA, to facilitate the interaction between CIA and the military.

A joint study by the Assistant Secretary of Defense (C3I) and Director of Central Intelligence, to identify an "imagery manager" within DoD to provide a focal point for imagery policy and oversight.

Development of a plan to ensure that the theater commanders were able to exercise control of national intelligence systems in peacetime to ensure an orderly transition during crisis and war.

Rotation of the Director and Deputy Director positions at the National Photographic Interpretation Center (NPIC) between CIA and DoD every three years to make NPIC more responsive to military requirements, as well as direction to DIA to remain part of NPIC until the lessons learned from DESERT STORM/DESERT SHIELD could be evaluated.

Integration of representatives of the CIA Directorates of Operations and Intelligence into the Joint Intelligence Centers at theater commands to improve CIA support and responsiveness to those commands.

Submission of an integrated DoD Foreign Counterintelligence and Security Countermeasures Program in the National Foreign Intelligence Program.

Reallocation of personnel to establish a counterintelligence and security component within the Intelligence Policy Support Group.

The conferees have considered each of these initiatives, and agree, at this time, only to the actions set forth below. In some cases, these actions are reflected in the classified Schedule of Authorizations or are further elaborated in the report language which accompanies the classified Schedule of Authorizations.

1. The Armed Forces Medical Intelligence Center and the Army Missile and Space Intelligence Center are to be transferred to DIA. This transfer, in fact, is mandated by section 921 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (H.R. 2100).

2. The funds authorized for research and development (R&D), and for procurement for the three principal science and technology centers for the military departments (i.e., the Air Force Foreign Technology Division (FTD), the Army Foreign Science and Technology Center (FSTC) and the Naval Technical Intelligence Command (NTIC)) and for another activity reflected in the Schedule of Authorizations be transferred to DIA. This funding transfer is consistent with the report language pertaining to section 921 of the National Defense Authorization Act for Fiscal years 1992 and 1993 (H.R. 2100).

3. All R&D and procurement funds authorized for DoD human intelligence activities be transferred to DIA. This funding transfer is consistent with the report language pertaining to section 921 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (H.R. 2100).

4. The DCI should create within the Directorate of Operations at CIA the position of Assistant Deputy Director for Military Support to facilitate the interaction between CIA and the military. This proposal is elaborated in the report language accompanying the classified Schedule of Authorizations.

5. The Director, DIA should delay the withdrawal of DIA personnel from NPIC during fiscal year 1992 in order to provide the Committees with an opportunity to assess the effects of such withdrawal within the context of their overall review of organizational arrangements within the intelligence community.

6. Representatives from the CIA Directorates of Intelligence and Operations should be integrated into Joint Intelligence Centers established at theater commands and DIA—reporting to the J-2s—in order to improve CIA support and responsiveness to those activities.

7. The Assistant Secretary of Defense (C3I) in consultation with the Director of Central Intelligence, should submit by July 1, 1992, a report to the two intelligence committees which discusses the desirability and feasibility of submitting to the Congress an integrated DoD Foreign Counterintelligence and Security Countermeasures Program budget within the National Foreign Intelligence Program.

8. DoD should take appropriate action to reallocate personnel to establish a counterintelligence and security component within the Intelligence Policy Support Group.

9. The Secretary of Defense and Director of Central Intelligence are requested to undertake a baseline review of the imagery community—including national, department, and tactical organization and programs—and develop a management blueprint for the 1990s. The results of this review should be provided the two intelligence committees by June 1, 1992.

The conferees note that one initiative proposed by the Senate, to develop a plan to enable theater commanders to exercise control of national intelligence systems in peacetime, is satisfactorily addressed by section 924 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (H.R. 2100), and, thus, there is no need to include it here.

The conferees also take note of the additional intelligence provisions contained in the National Defense Authorization Act for Fiscal Years 1992 and 1993, in particular, section 921 which assigns until January 1, 1993 certain responsibilities to the Director of the Defense Intelligence Agency. The conferees wish to make clear that during the forthcoming year both Committees intend to review, as part of their respective assessments of intelligence community organization, the authorities and responsibilities of the Director DIA, and to make such recommendations regarding these responsibilities as may be appropriate, within the context of their action on the intelligence authorization bill for fiscal year 1993.

PROVISIONS NOT INCLUDED IN THE CONFERENCE REPORT

TRANSFER AUTHORITY

Section 104 of the House bill authorized the Director of Central Intelligence to transfer an amount of funds specified in the classified Schedule of Authorizations to a program identified in that schedule. The Senate amendment did not contain a similar provision. The conferees agreed that the transfer authority was not necessary to accomplish the purpose for which it had been intended.

OATH OF SECRECY

Section 404 of the House bill prohibited an element of the United States Government for which funds were authorized by the bill from providing classified intelligence information to a member or employee of the House Intelligence Committee unless the member or employee had executed an oath of secrecy which had then been published in the Congressional Record. The Senate amendment did not contain a similar provision. Since the House Intelligence Committee had, on October 22, 1991, adopted an amendment to its rules to require an oath of secrecy for members and employees, the conferees agreed that the provision was unnecessary.

Section 802 of the Senate amendment authorized the Director of Central Intelligence (DCI) to transfer an amount of funds not to exceed $10 million in the aggregate in any fiscal year, within the National Foreign Intelligence Program (NFIP) to respond to foreign intelligence operational emergencies. The House bill did not contain a similar provision. The conferees agreed that the sufficiency of the flexibility available to the DCI, under the Central Intelligence Agency Act of 1949, to transfer funds within the NFIP should be examined in the context of the consideration of intelligence reorganization proposals, which will occur in 1992.

CLASSIFICATION OF EXCEPTION FOR CERTAIN NATIONAL SECURITY INFORMATION FROM CERCLA DISCLOSURE REQUIREMENTS

Section 803 of the Senate amendment extended to those statutes and regulations authorizing the protection of certain types of unclassified information, the requirements of current law that a grant of access to classified information or restricted data pursuant to the Comprehensive Environmental Response Compensation and Liability Act (CERCLA), or Title III of the Superfund Amendments and Reauthorization Act of 1986, be governed by all of the requirements of law of Executive Order applicable to that kind of information or data. The House bill did not contain a similar provision. The conferees were aware that the Environmental Protection Agency and the National Security Agency are considering this issue in the broader context of an examination of a proposal to extend toxic chemical reporting requirements to federal facilities. The conferees agreed to exclude the provision from the conference report so as to not prejudge the results of that consideration and examination.

CONSOLIDATION OF AIRBORNE RECONNAISSANCE PROGRAMS

Section 804 of the Senate amendment required the Secretary of Defense to ensure that, beginning in fiscal year 1993, the budget submission for the General Defense Intelligence Program (GDIP) contain the amounts requested to be authorized and appropriated for the TR-1 airborne reconnaissance platform and the Airborne Reconnaissance Program. The Secretary of Defense was additionally required to consolidate management of these programs within the GDIP. The House bill did not contain a similar provision. The conferees noted that, because this issue had been considered and resolved by the conferees on the defense authorization bill for fiscal year 1992, it was necessary to address it in this conference report.

From the Permanent Select Committee on Intelligence, for consideration of the House bill, and the Senate amendment, and modifications committed to conference:

DAVE MCCURDY,
CHARLES WILSON,
BARBARA B. KENNELLY,
DAN GLICKMAN,
NICHOLAS MAVROULES,
BILL RICHARDSON,
STEPHEN J. SOLARZ,
NORMAN DICKS,
RONALD V. DELLUMS,
DAVID BONIOR,
MARTIN OLAV SABO,
WAYNE OWENS,
BUD SHUSTER,
(except for titles VII and VIII and dropping section 404 of the House bill),
LARRY COMBEST
(except for titles VII and VIII and dropping section 404 of the House bill),
DOUGLAS BEREUTER
(except for titles VII and VIII and dropping section 404 of the House bill),
ROBERT K. DORNAN
(except for titles VII and VIII and dropping section 404 of the House bill),
C.W. BILL YOUNG
(except for titles VII and VIII and dropping section 404 of the House bill),
DAVID O'B. MARTIN
(except for titles VII and VIII and dropping section 404 of the House bill),
GEORGE W. GEKAS
(except for titles VII and VIII and dropping section 404 of the House bill),

As additional conferees from the Committee on Armed Services, for consideration of matters within the jurisdiction of that committee under clause 1(c) of rule X:

LES ASPIN,
IKE SKELTON,
WILLIAM L. DICKINSON,

As additional conferees from the Committee on Education and Labor, for consideration of title VII of the Senate amendment, and modifications committed to conference:

WILLIAM D. FORD,
PAT WILLIAMS,
CHARLES A. HAYES,

As additional conferees from the Committee on Post Office and Civil Service, for consideration of titles III (except sec. 301) and VI of the Senate amendment, and modifications committed to conference:

WILLIAM L. CLAY,
GERRY SIKORSKI,
GARY L. ACKERMAN,
BENJAMIN A. GILMAN,
JOHN MYERS,
Managers on the Part of the House.

DAVID L. BOREN,
SAM NUNN,
FRITZ HOLLINGS,
BILL BRADLEY,
ALAN CRANSTON,
DENNIS DECONCINI,
HOWARD M. METZENBAUM,
JOHN GLENN,
FRANK H. MURKOWSKI,
JOHN W. WARNER,
ALFONSE D'AMATO,
JOHN C. DANFORTH,
WARREN RUDMAN,
SLADE GORTON,
JOHN H. CHAFEE,

From the Committee on Armed Services:

J. JAMES EXON,
STROM THURMOND,
Managers on the Part of the Senate.

CONFERENCE REPORT ON H.R. 2521

Mr. MURTHA submitted the following conference report and statement on the bill (H.R. 2521) making appropriations for the Department of Defense for the fiscal year ending September 30, 1992, and for other purposes:

[The conference report on H.R. 2521 will appear in a subsequent issue of the RECORD.]

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. HORTON (at the request of Mr. MICHEL), for today, on account of official business.

Mr. ACKERMAN (at the request of Mr. GEPHARDT), for today after 5 p.m., on account of official business.

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 Ms. ROS-LEHTINEN) to revise and extend their remarks and include extraneous material:)

Mr. EWING, for 60 minutes each day, on November 20 and 21.

Mr. BURTON of Indiana, for 60 minutes each day, on December 2, 3, 4, 5, and 6.

Mr. DREIER of California, for 60 minutes, today.

Mr. DORNAN of California, for 60 minutes each day, on November 23, and 24, and for 5 minutes today and on November 27.

Mr. RHODES, for 60 minutes, on November 20.

Mr. HASTERT, for 60 minutes, on November 20.

(The following Members (at the request of Mr. LEHMAN of California) to revise and extend their remarks and include extraneous material:)

Mr. KOLTER, for 5 minutes, today.
Mr. ALEXANDER, for 5 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. STARK, for 5 minutes, today.
Mr. PANETTA, for 5 minutes, today.
Mr. WOLPE, for 60 minutes, today.
Ms. OAKAR, for 60 minutes each day, on today and on November 19, 20, 21, 22, 23, and 24.
Ms. KAPTUR, for 60 minutes each day, today and on November 19, 20, 21, and 22.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. LEHMAN of California) and to include extraneous matter:)

Mr. PENNY.
Mr. DYMALLY.
Mr. STARK in two instances.
Mr. DE LUGO in two instances.
Mr. TORRICELLI.
Mr. MAZZOLI.
Mr. LEHMAN of Florida.
Mr. DURBIN.
Mr. FUSTER.
Mr. WEISS.
Mr. CARDIN.
Mr. DIXON.
Mr. EDWARDS of California.
Mr. BENNETT in two instances.
Ms. PELOSI.

(The following Members (at the request of Ms. ROS-LEHTINEN) and to include extraneous matter:)

Mr. BROOMFIELD.
Mr. COX.
Mr. CLINGER.
Mr. GALLEGLY in two instances.
Mr. SHUSTER.
Mr. SUNDQUIST in two instances.
Mr. GINGRICH.
Mr. CUNNINGHAM.
Mr. DORNAN of California.
Mrs. ROUKEMA.
Mr. DANNEMEYER.
Mr. MICHEL.
Mr. GALLO.
Ms. ROS-LEHTINEN.
Ms. MOLINARI.
Mr. NUSSLE.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 959. An act to establish a commission to commemorate the 250th anniversary of the birth of Thomas Jefferson; to the Committee on Post Office and Civil Service.

S. 1553. An act to establish a program of marriage and family counseling for certain veterans of the Persian Gulf War and the

spouses and families of such veterans; to the Committees on Veteran Affairs and Armed Services.

S. 1973. An act to authorize the Secretary of Transportation to transfer a vessel to the City of Warsaw, Kentucky; to the Committee on Merchant Marine and Fisheries.

ENROLLED BILL SIGNED

Mr. ROSE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 3575. An act to provide a program of emergency unemployment compensation, and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 374. An act to settle all claims of the Aroostock Band of Micmacs resulting from the band's omission from the Maine Indian Claims Settlement Act of 1980, and for other purposes.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. ROSE, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills and a Joint Resolution of the House of the following titles:

On November 14, 1991:

H.R. 3402. An act to amend the Public Health Service Act to revise and extend certain programs regarding health information and health promotion; and

H. Joint Resolution 374. A joint resolution making further continuing appropriations for the fiscal year 1992, and for other purposes.

On November 15, 1991:

H.R. 3575. An act to provide a program of emergency unemployment compensation, and for other purposes.

ADJOURNMENT

Ms. KAPTUR. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 35 minutes p.m.) under its previous order, the House adjourned until tomorrow, Tuesday, November 19, 1991, at 1 o'clock p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2368. A letter from the Comptroller General, the General Accounting Office, transmitting a review of the President's seventh special impoundment message for fiscal year 1991, pursuant to 2 U.S.C. 685 (H. Doc. No. 102-164); to the Committee on Appropriations and ordered to be printed.

2369. A letter from the Assistant Secretary of Defense, transmitting a report on the operations of the National Defense Stockpile for the period October 1990 through March 1991, pursuant to 50 U.S.C. 98h-2(b); to the Committee on Armed Service.

2370. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notification of the Department of the Army's proposed Letter(s) of Offer and Acceptance [LOA] to the Coordination Council for North American Affairs for defense articles and services (Transmittal No. 92-08), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

2371. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notification of the Department of the Navy's proposed Letter(s) of Offer and Acceptance [LOA] to Belgium for defense articles and services (Transmittal No. 92-10), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

2372. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification of a proposed license for the export of major defense equipment sold commercially to the United Kingdom (Transmittal No. DTC-2-92), pursuant to 22 U.S.C. 2776(c); to the Committee on Foreign Affairs.

2373. A communication from the President of the United States, transmitting a report on the status of efforts to obtain compliance by Iraq with the resolutions adopted by the United Nations Security Council, pursuant to Public Law 102-1, section 3 (105 Stat. 4) (H. Doc. No. 102-165); to the Committee on Foreign Affairs and ordered to be printed.

2374. A letter from the Assistant Secretary of State of Legislative Affairs, transmitting copies of the original report of political contributions of Frederick Vreeland, of the District of Columbia, to be Ambassador to the Kingdom of Morocco, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

2375. A letter from the Director, U.S. Arms Control and Disarmament Agency, transmitting the report on Verification of the CFE Treaty, pursuant to 22 U.S.C. 2577(a); to the Committee on Foreign Affairs.

2376. A letter from the Comptroller General, General Accounting Office, transmitting the results of the audit of the Pension Benefit Guaranty Corporation's financial statements for the fiscal year ended September 30, 1990, pursuant to 31 U.S.C. 9106(a); to the Committee on Government Operations.

2377. A letter from the Assistant Secretary for Legislative Affairs, Departments of the Treasury and State, transmitting the third report on foreign contributions in response to the Persian Gulf crisis, pursuant to Public Law 101-25, section 402 (105 Stat. 101); jointly, to the Committees on Foreign Affairs and Armed Services.

2378. A letter from the Comptroller General of the United States, transmitting a report on the 1991 fiscal year interest rate on rural telephone bank loans, pursuant to 7 U.S.C. 948(b)(3); jointly, to the Committees on Government Operations and Agriculture.

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. MILLER of California: Committee on Interior and Insular Affairs. H.R. 3394. A bill to amend the Indian Self-Determination and Education Assistance Act; with an amendment (Rept. 102-320). Referred to the Committee of Whole House on the State of the Union.

Mr. MILLER of California: Committee on Interior and Insular Affairs. A report on S. 1720, an act to amend Public Law 93-531 (25 U.S.C. 640d et seq.) to reauthorize appropriations for the Navajo-Hopi Relocation Housing Program for fiscal years 1992, 1993, 1994, and 1995 (Rept 102-321). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on the Judiciary. A report on S. 1284, an act to make certain technical corrections in the Judicial Improvements Act of 1990; with amendments (Rept 102-322). Referred to the Committee of the Whole House on the State of the Union.

Ms. SLAUGHTER of New York: Committee on Rules. House Resolution 283. Resolution providing for the consideration of H.R. 3595, a bill to delay until September 30, 1992, the issuance of any regulations by the Secretary of Health and Human Services changing the treatment of voluntary contributions and provider—specific taxes by States as a source of a State's expenditures for which Federal financial participation is available under the Medicaid program and to maintain the treatment of intergovernmental transfers as such a source (Rept. 102-323). Referred to the House Calendar.

Mr. DINGELL: Committee on Energy and Commerce. H.R. 1305. A bill to amend the Communications Act of 1934 to protect the privacy rights of telephone subscribers; with an amendment (Rept. 102-324). Referred to the Committee of the Whole House on the State of the Union.

Mr. DINGELL: Committee on Energy and Commerce. H.R. 1104. A bill to declare certain portions of Pelican Island, TX, nonnavigable; with an amendment (Rept. 102-325). Referred to the Committee of the Whole House on the State of the Union.

Mr. DINGELL: Committee on Energy and Commerce. H.R. 3495. A bill to declare certain portions of Wappinger Creek in Dutchess County, N.Y., as nonnavigable waters; with an amendment (Rept. 102-326). Referred to the Committee of the Whole House on the State of the Union.

Mr. MCCURDY: Committee of conference. Conference report on H.R. 2038 (Rept. 102-327). Ordered to be printed.

Mr. MURTHA: Committee of conference. Conference report on H.R. 2521 (Rept. 102-328). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. AUCOIN (for himself and Mr. SYNAR):

H.R. 3794. A bill to terminate production by the United States of tritium, plutonium, and highly enriched uranium for weapons, and to direct that the funds saved as a result of such termination be used for environmental restoration activities at nuclear weapons facilities; to the Committee on Armed Services.

By Mr. BROWN (for himself, Mr. LEWIS of California, Mr. COX of California, and Mr. MCCANDLESS):

H.R. 3795. A bill to amend title 28, United States Code, to establish 3 divisions in the Central Judicial District of California; to the Committee on the Judiciary.

By Mr. BRYANT (for himself, Mr. RANGEL, Mr. SCHEUER, Mr. TOWNS, Mr. DURBIN, and Mr. STUDDS):

H.R. 3796. A bill to amend the Public Health Service Act to establish certain programs regarding the children of substance abusers; to the Committee on Energy and Commerce.

By Mr. CLINGER:

H.R. 3797. A bill to extend the existing suspension of duty on naphthalic acid anhydride; to the Committee on Ways and Means.

By Mr. GUNDERSON (for himself, Mr. WEBER, Mr. RIGGS, Mr. ZELIFF, Mr. DANNEMEYER, Mr. KYL, Mrs. JOHNSON of Connecticut, and Mr. WALKER):

H.R. 3798. A bill to stimulate economic recovery by providing tax incentives and other benefits to revive the real estate market; jointly, to the Committees on Ways and Means and Banking, Finance and Urban Affairs.

By Mr. KLUG (for himself and Mr. EWING):

H.R. 3799. A bill to amend title VII of the Civil Rights Act of 1964 to prohibit discrimination based on race, color, religion, sex, disability, national origin, or age in employment in the legislative or judicial branches of the Federal Government; and to establish the Employment Review Board composed of senior Federal judges, which shall have authority to adjudicate claims regarding such discrimination; jointly, to the Committees on Education and Labor, House Administration, and the Judiciary.

By Mr. MARTINEZ:

H.R. 3800. A bill to establish a Classrooms for the Future Program, and for other purposes; to the Committee on Education and Labor.

By Mr. RAHALL:

H.R. 3801. A bill to amend the Internal Revenue Code of 1986 to exclude from gross income the qualified military benefits received by retired military personnel serving as administrators or instructors in the Junior Reserve Officers Training Corps; to the Committee on Ways and Means.

By Mr. ROHRABACHER (for himself, Mr. DANNEMEYER, Mr. DELAY, Mr. DOOLITTLE, Mr. DUNCAN, and Mr. WEBER):

H.R. 3802. A bill to provide for the distribution to coastal States and counties of revenues collected under the Outer Continental Shelf Lands Act; jointly, to the Committees on Interior and Insular Affairs and Merchant Marine and Fisheries.

By Mr. SKAGGS (for himself, Mrs. SCHROEDER, Mr. HYDE, Mr. HUGHES, Mr. SENSENBRENNER, Mr. KOLTER, Mr. STARK, Mr. RIGGS, Mr. SMITH of Florida, and Mr. BERMAN):

H.R. 3803. A bill to amend title 28, United States Code, to require public disclosure of settlements of civil actions to which the United States is a party; to the Committee on the Judiciary.

By Mr. CRANE (for himself, Mr. STUMP, Mr. BEVILL, Mr. ANDERSON, Mr. YATES, Mr. MOODY, Mr. MARTIN, Mr. JEFFERSON, Mr. APPLEGATE, Mr. SCHIFF, Mr. EMERSON, Ms. NORTON, Mr. GEKAS, Mr. SKEEN, Mr. MCNULTY, Mr. DORNAN of California, Mr. TOWNS, Mr. OXLEY, Mr. HUGHES, Mr. RAMSTAD, Mr. LIPINSKI, Mr. QUILLEN, and Mr. VANDER JAGT):

H.J. Res. 375. Joint resolution recognizing December 15, 1991, as the 200th anniversary of the adoption of the Bill of Rights; to the Committee on Post Office and Civil Service.

By Mr. HERTEL (for himself, Mr. FASCELL, Mr. BROOMFIELD, and Mr. YATRON):

H. Con. Res. 242. Concurrent resolution emphasizing the vast extent of environmental damage in the Persian Gulf region and urging expeditious efforts by the United Nations to set aside funds to redress environmental and public health losses; to the Committee on Foreign Affairs.

By Mr. MILLER of California:

H. Res. 282. Resolution providing for the concurrence of the House to the amendment of the Senate to the bill H.R. 355 with an amendment; considered and failed of adoption under a motion to suspend the rules.

By Mr. THORNTON (for himself, Mrs. COLLINS of Michigan, Mr. ROEMER, Mr. BACCHUS, Ms. HORN, Mr. ANDREWS of Maine, Mr. BREWSTER, Mr. MORAN, Mr. PETERSON of Florida, Mr. ABERCROMBIE, Mr. ALEXANDER, Mr. ANDREWS of New Jersey, Mr. ANTHONY, Mr. APPLEGATE, Mr. AUCOIN, Mr. BENNETT, Mr. BERMAN, Mr. BLACKWELL, Mr. BONIOR, Mr. BOUCHER, Mrs. BOXER, Mr. BROWN, Mr. BRYANT, Mr. CARR, Mr. CHAPMAN, Mr. CLAY, Mr. CLEMENT, Mrs. COLLINS of Illinois, Mr. CONYERS, Mr. COX of Illinois, Mr. CRAMER, Mr. DARDEN, Ms. DELAURO, Mr. DE LUGO, Mr. DERRICK, Mr. DIXON, Mr. DOOLEY, Mr. DURBIN, Mr. ECKART, Mr. EDWARDS of California, Mr. ESPY, Mr. FAZIO, Mr. FISH, Mr. FLAKE, Mr. FORD of Tennessee, Mr. FRANK of Massachusetts, Mr. GEPHARDT, Mr. GEREN of Texas, Mr. GIBBONS, Mr. GLICKMAN, Mr. GORDON, Mr. HAMILTON, Mr. HAMMERSCHMIDT, Mr. HAYES of Illinois, Mr. HAYES of Louisiana, Mr. HOAGLAND, Mr. HOYER, Mr. HUBBARD, Mr. HUCKABY, Mr. HUGHES, Mr. JEFFERSON, Mr. JONTZ, Ms. KAPTUR, Mr. LANTOS, Mr. LAROCCO, Mr. LEWIS of Georgia, Mr. LIPINSKI, Mrs. LLOYD, Mrs. LOWEY of New York, Mr. LUKEN, Mr. MARTINEZ, Mr. MCCLOSKEY, Mr. MCHUGH, Mr. MCMILLEN of Maryland, Mr. MFUME, Mr. MILLER of California, Mrs. MINK, Mrs. MORELLA, Mr. NEAL of North Carolina, Mr. NICHOLS, Ms. NORTON, Mr. NOWAK, Ms. OAKAR, Mr. OBERSTAR, Mr. OLVER, Mr. OWENS of New York, Mr. OWENS of Utah, Mr. PASTOR, Mr. PAYNE of Virginia, Ms. PELOSI, Mr. PERKINS, Mr. PETERSON of Minnesota, Mr. PICKETT, Mr. PICKLE, Mr. RANGEL, Mr. REED, Mr. RICHARDSON, Mr. ROE, Mr. ROWLAND, Mr. SANDERS, Mr. SANGMEISTER, Mrs. SCHROEDER, Mr. SERRANO, Mr. SHAYS, Mr. SIKORSKI, Mr. SKELTON, Mr. SLATTERY, Ms. SLAUGHTER of New York, Mr. SMITH of Florida, Mr. SWETT, Mr. TANNER, Mr. TOWNS, Mr. TRAFICANT, Mrs. UNSOELD, Mr. VALENTINE, Mr. VENTO, Mr. VOLKMER, Ms. WATERS, Mr. WEISS, Mr. WHEAT, and Mr. WOLPE):

H. Res. 284. Resolution expressing the sense of the House of Representatives that there is a need for a comprehensive, coordinated strategy to help the United States achieve its goal of being the strongest Nation on Earth economically and militarily, so that it remain the greatest Nation in support of human dignity, freedom, and democratic ideals; jointly, to the Committees on Education and Labor and Banking, Finance and Urban Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 25: Mr. JEFFERSON and Mr. PASTOR.

H.R. 44: Mr. JONTZ, Mr. LIPINSKI, Mr. HOAGLAND, Mr. STARK, Mr. JONES of North Carolina, Mr. BONIOR, Ms. NORTON, Mr. GILCHREST, Mr. CLEMENT, Mr. RAVENEL, Mr. MCGRATH, Mr. TRAFICANT, Mr. TORRICELLI, Mr. JENKINS, Mr. DOOLITTLE, Mr. SMITH of New Jersey, Mr. MACHTLEY, Mr. SOLOMON, Mr. HUNTER, Mrs. MINK, Mr. HUBBARD, Mr. PORTER, Mr. DELLUMS, Mr. ACKERMAN, and Mr. KILDEE.

H.R. 74: Mr. SWETT.

H.R. 421: Mr. MCNULTY.

H.R. 585: Mr. OLIN.

H.R. 701: Mr. HERGER.

H.R. 727: Mr. PERKINS.

H.R. 784: Mr. HYDE.

H.R. 829: Mr. ALLEN.

H.R. 1049: Mr. CHANDLER, Mr. DREIER of California, Mr. DANNEMEYER, and Mr. MILLER of Washington.

H.R. 1201: Mr. BILIRAKIS.

H.R. 1326: Mr. PETRI and Mr. DICKS.

H.R. 1330: Mr. COLEMAN of Missouri and Mr. VOLKMER.

H.R. 1456: Mr. SMITH of Florida.

H.R. 1472: Mr. PRICE.

H.R. 1559: Mr. SMITH of Florida.

H.R. 1572: Mr. THOMAS of Wyoming and Mr. RITTER.

H.R. 1602: Mr. DELLUMS, Mr. EVANS, and Mr. KOPETSKI.

H.R. 1969: Mr. JACOBS, Mrs. KENNELLY, Mr. OLVER, Mr. TORRES, and Mr. EDWARDS of California.

H.R. 2089: Mr. FASCELL, Mr. ROSE, and Mr. MARKEY.

H.R. 2274: Mr. MINETA.

H.R. 2327: Mr. SMITH of Florida, Mr. MOLLOHAN, Mr. YATRON, Mr. RAMSTAD, Mr. PRICE, Mr. HASTERT, Mr. LIVINGSTON, Mr. MCMILLEN of Maryland, Mr. AUCOIN, Mr. FEIGHAN, Mr. ANDREWS of New Jersey, Mrs. VUCANOVICH, Mr. GALLEGLY, Mr. MILLER of Washington, Mr. SWIFT, and Mr. SCHIFF.

H.R. 2361: Mr. CAMP.

H.R. 2390: Mr. CRANE.

H.R. 2410: Mr. FAWELL and Mr. CHANDLER.

H.R. 2702: Mr. LEWIS of Florida and Mr. KLUG.

H.R. 2703: Mr. LEWIS of Florida, Mr. KLUG, and Mr. SHAYS.

H.R. 2704: Mr. LEWIS of Florida, Mr. KLUG, and Mr. SHAYS.

H.R. 2705: Mr. LEWIS of Florida and Mr. KLUG.

H.R. 2763: Mr. SMITH of Florida and Mr. BACCHUS.

H.R. 2797: Mr. BROWN, Mr. CAMPBELL of California, Mr. CLINGER, Mr. DOWNEY, Mr. ESPY, Mr. FRANK of Massachusetts, Mr. GONZALEZ, Mr. HOAGLAND, Mr. JONES of Georgia, Mrs. MORELLA, Ms. NORTON, Mr. OLIN, Mr. OLVER, Mr. ROSE, Mr. VOLKMER, and Mr. WASHINGTON.

H.R. 2889: Mr. SMITH of Florida.

H.R. 2908: Mr. EVANS.

H.R. 2909: Mr. JEFFERSON, Mr. DELLUMS, Ms. NORTON, Mr. PAYNE of New Jersey, Mr. RANGEL, and Mr. WEISS.

H.R. 3067: Mr. SPENCE.

H.R. 3070: Mr. JENKINS, Mr. PAYNE of New Jersey, Mr. EDWARDS of Oklahoma, Mr. LOWERY of California, and Mr. JAMES.

H.R. 3104: Mr. WAXMAN.

H.R. 3122: Mr. SANDERS.

H.R. 3185: Mr. KLECZKA.

H.R. 3283: Mr. BRYANT, Mr. HUBBARD, Mr. RIDGE, Mr. SHAYS, and Mr. TRAFICANT.

H.R. 3349: Mr. SPENCE, Mr. EMERSON, and Mr. COLEMAN of Texas.

H.R. 3360: Mr. ACKERMAN, Mrs. COLLINS of Michigan, Mr. KOPETSKI, Mr. NEAL of Massachusetts, and Ms. KAPTUR.

H.R. 3373: Mr. QUILLEN, Mr. CARPER, and Mr. OBEY.

H.R. 3412: Mr. FOGLIETTA.

H.R. 3478: Mr. RIGGS.

HR. 3503: Mr. HENRY, Mr. SMITH of Florida, and Mr. RIGGS.

HR. 3518: Mr. KASICH AND Mr. KILDEE.

HR. 3554: Mr. MCNULTY, MS. NORTON, AND Mr. FOGLIETTA.

HR. 3578: Mr. KLECZKA, Mr. WOLPE, Mr. ENGEL, Mrs. LOWEY of New York, Mr. FOGLIETTA, and Mr. EDWARDS of California.

HR. 3585: Mr. RAVENEL, Mr. HEFLEY, Mr. DOOLITTLE, Mr. DARDEN, Mr. HANSEN, Mr. JOHNSTON of Florida, and Mr. MOORHEAD.

HR. 3592: Mr. GALLO, Mr. MOORHEAD, and Mr. SCHIFF.

HR. 3639: Mr. MANTON, Mr. TORRICELLI, and Mr. MCGRATH.

HR. 3640: Mr. MACHTLEY.

HR. 3645: Mr. UPTON, Mr. RICHARDSON, and Mr. STUDDS.

HR. 3678: Mr. SPENCE.

HR. 3740: Mr. KOLTER and Mr. SPENCE.

HR. 3748: Mr. ROYBAL, Mrs. COLLINS of Illinois, Mr. WISE, Mr. JOHNSTON of Florida, Ms. NORTON, Mr. JEFFERSON, Mr. WOLPE, Mr. LEHMAN of California, and Mr. CARDIN.

HR. 3750: Mr. BOUCHER, Mr. PASTOR, and Mr. PETERSON of Minnesota.

HR. 3764: Mr. PETERSON of Florida.

HR. 3769: Mr. BENNETT and Mr. OLVER.

H.J. Res. 1: Mr. JOHNSTON of Florida, and Mr. MCMILLEN of Maryland.

H.J. Res. 348: Mr. FISH, Mr. BEVILL, Mr. MCMILLEN of Maryland, Mr. HENRY, Mrs. JOHNSON of Connecticut, Mr. HORTON, Mr. PERKINS, Mr. CAMP, Mr. SMITH of Florida, Mr. JONTZ, Mr. SKEEN, Mr. BALLENGER, Mr. TOWNS, Mr. LEWIS of Florida, Mrs. MORELLA, Mr. GUARINI, Mr. JEFFERSON, Mr. FROST, Mr. EVANS, Mr. ZIMMER, Mr. WOLF, Mr. GILCHREST, Mr. MCDADE, Mr. COYNE, Mr. QUILLEN, and Mr. CLINGER.

H.J. Res. 364: Mr. BOEHLERT, Mr. BONIOR, Mr. BROOKS, Mr. BUNNING, Mr. BURTON of Indiana, Mrs. BYRON, Mr. CLINGER, Mr. COLEMAN of Texas, Mr. COSTELLO, Mr. DANNEMEYER, Mr. DAVIS, Mr. DELAY, Mr. DREIER of California, Mr. DYMALLY, Mr. ENGEL, Mr. EVANS, Mr. FAWELL, Mr. FIELDS, Mr. FRANKS of Connecticut, Mr. FUSTER, Mr. GALLO, Mr. GEKAS, Mr. GILMAN, Mr. GINGRICH, Mr. HENRY, Mr. HOCHBRUECKNER, Ms. HORN, Mr. HUNTER, Mr. INHOFE, Ms. KAPTUR, Mr. KENNEDY, Mr. KILDEE, Mr. KOSTMAYER, Mr. LANTOS, Ms. LONG, Mr. MARKEY, Mr. MCDERMOTT, Mr. MCEWEN, Mr. MCHUGH, Mrs. MORELLA, Mr. NEAL of Massachusetts, Mr. ORTIZ, Mr. ORTON, MR. OWENS of New York, Mr. OXLEY, Mr. PARKER, Mrs. PATTERSON, Ms. PELOSI, Mr. PURSELL, Mr. ROE, Mr. SAVAGE, Mr. SCHUMER, Mr. SMITH of Texas, Mr. SOLARZ, Mr. SOLOMON, Mr. SPENCE, Mr. STOKES, Mr. STUMP, Mr. SUNDQUIST, Mr. TALLON, Mr. TAYLOR of Mississippi, Mr. WEBER, and Mr. ZIMMER.

H.J. Res. 371: Mr. DEFAZIO, Mr. ERDREICH, Mr. JONTZ, Mr. KOPETSKI, Mr. LIPINSKI, Mr. LAFALCE, Mrs. LOWEY of New York, Mr. QUILLEN, Mr. SHAW, Ms. SLAUGHTER of New York, Mr. TOWNS, Mr. VANDER JAGT, Mr. VISCLOSKY, and Mr. WHITTEN.

H.J. Res. 372: Mr. FRANK of Massachusetts, Ms. LONG, Mr. DE LUGO, Mr. CONYERS, Mr. SKEEN, Mr. SCHUMER, Mr. LIVINGSTON, Mr. DELLUMS, Mr. TRAXLER, Mr. SLATTERY, Mr. DYMALLY, Mr. SMITH of New Jersey, Mr. RAVENEL, Mr. ESPY, Mr. BRYANT, Mr. TRAFICANT, Mr. TANNER, Mr. DIXON, Mr. DWYER of New Jersey, Mr. MCCLOSKEY, Mr. LUKEN, Mr. TOWNS, Mr. MURTHA, Mr. JONES of North Carolina, Mr. SMITH of Florida, Mr. JOHNSON of South Dakota, Mr. SMITH of Oregon, Mr. SKELTON, Mr. VALENTINE, Mr. STARK, Mr. DOOLITTLE, Mr. ROE, Mr. RANGEL, Mr. PAYNE of New Jersey, Mr. KOPETSKI, Mr. KILDEE, Mr. DONNELLY, Mr. DOWNEY, Ms. NORTON, Mr. FRANKS of Connecticut, Mr. ABERCROMBIE, Mr. MCMILLEN of Maryland, Mr. ERDREICH, Mr. MCDADE, Mr. EMERSON, Mr. NAGLE, Mr. KOLTER, Mr. OXLEY, Mr. PRICE, Mr. MATSUI, Mr. KENNEDY, Mr. PERKINS, Mr. MOODY, Mr. COYNE, Mr. CARDIN, Mr. LEVIN of Michigan, Mr. STUDDS, Mr. MCGRATH, Mr. OWENS of Utah, Mr. MCNULTY, Mr. JONTZ, Mr. MAVROULES, Mrs. KENNELLY, Ms. OAKAR, Mr. ROSE, Mrs. JOHNSON of Connecticut, Mr. ATKINS, Mr. MORAN, Mr. MOAKLEY, Mr. HOYER, Mr. COLEMAN of Texas, Mr. QUILLEN, Mr. PURSELL, and Mr. CLEMENT.

H. Con. Res. 43: Mr. LAGOMARSINO.

H. Con. Res. 188: Mr. COX of California, Mr. FIELDS, and Mr. OWENS of Utah.

H. Con. Res. 229: Mr. TALLON, Mr. YOUNG of Alaska, Mr. COBLE, Mr. FALEOMAVAEGA, Mr. RAVENEL, Mr. SAXTON, Mr. LAUGHLIN, Mr. WELDON, Mr. HAYES of Louisiana, Mr. HUGHES, Mr. CLEMENT, Mr. HUBBARD, Mr. ORTIZ, Mr. HUTTO, Mr. JONES of North Carolina, Mr. INHOFE, Mr. LIPINSKI, Mr. BATEMAN, and Mr. GOSS.

H. Con. Res. 232: Mr. BROOMFIELD and Mr. ANNUNZIO.

H. Res. 107: Mr. MCDADE.

H. Res. 245: Mr. FAWELL, Mr. ZIMMER, Mr. BROWN, Mr. WALSH, Mr. HUTTO, Mr. GOSS, Ms. NORTON, Mr. RIGGS, Mr. SKEEN, and Mr. BILIRAKIS.

H. Res. 263: Mr. SCHEUER, Mr. RITTER, Mr. PENNY, Mr. BEILENSON, Mr. FRANK of Massachusetts, Mr. HORTON, Mr. TOWNS, Mr. ENGEL, Mr. LANCASTER, Mr. BILBRAY, Mr. WAXMAN, Mr. SMITH of Florida, Mr. ABERCROMBIE, Mrs. MORELLA, Mrs. UNSOELD, and Mr. FOGLIETTA.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 1218: Mr. BEREUTER.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3595

By Mr. GRADISON:

—Strike section 5 of the bill.

EXTENSIONS OF REMARKS

HUMAN RIGHTS ABUSES IN KOSOVO, YUGOSLAVIA

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, November 18, 1991

Mr. BROOMFIELD. Mr. Speaker, while the world watches the tragic destruction of Croatia by the Serbian-led Yugoslav National Army, another equally terrible situation continues in the formerly autonomous Province of Kosovo, a region of Serbia that is over 90 percent ethnic Albanian. Just last week, another innocent ethnic Albanian was brutally murdered by Serbian police. This abuse must stop.

A few years ago, Slobodan Milosevic took away the autonomous status of Kosovo and Vojvodina, another province, in an attempt to use Serbian nationalism to promote his own political ends. In the 1989 street demonstrations in Kosovo protesting that action, nearly 100 ethnic Albanian prisoners by Serbian authorities surfaced and were investigated by credible international human rights groups. In recent months, Serbia has cracked down on ethnic Albanians, and Kosovo has become a police state. Armed patrols, checkpoints, and intimidating police tactics are prevalent.

At the University of Kosovo, an ethnic Albanian institution, freshman enrollment has been cut by more than two-thirds, with those places reserved for Serbo-Croat speakers, even though the majority of Kosovo's 2 million people are ethnic Albanians who speak their native tongue. The university may be renamed after a Serbian saint. More than 70,000 ethnic Albanians have been fired from their jobs in the local government, police force, and local businesses, Even worse, murders of ethnic Albanians continue.

I just learned that Mikel Marku of Kosovo was beaten by Serbian police on November 6 and died 4 days later. The 63-year-old former district judge was reportedly driving with his three nephews to a funeral service when police stopped the vehicle and accused the judge of belonging to an underground human rights organization. After the initial assault on the judge, he was put in prison and beaten during the night. He never regained consciousness and died in a hospital on November 10. Serbian police officers told his family that they wanted the judge to die.

My heart goes out to the family of Mr. Marku, who has many relatives in the Michigan area. If this is what Mr. Milosevic and Serbian authorities think of human rights in Yugoslavia, I can understand why Slovenia, Croatia, Macedonia, Vojvodina, and Kosovo want to distance themselves as much as possible from Serbian control. It is time to put a stop to the fighting in that troubled country. It is also time to end the abuses of the fundamental rights of ethnic Albanians.

A TRIBUTE TO ANTONIA PANTOJA

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 18, 1991

Mr. SERRANO. Mr. Speaker, I rise today to pay tribute to an exceptional woman, Dr. Antonia Pantoja. On the occasion of the 30th anniversary of ASPIRA, a community-based organization founded by Dr. Pantoja, I would like to commend her lifelong commitment to the service of the Puerto Rican community both in the United States and in Puerto Rico.

Throughout the past 4 decades, Dr. Pantoja has tirelessly pursued her own, unique philosophy regarding community development. She believes that people can succeed by aspiring to do so and creating the necessary resources through their own intelligence and work. As a result Dr. Pantoja founded numerous institutions like ASPIRA. These organizations provide people with the structure within which to start developing themselves as well as the basic tools to carry through this development.

The first such institution was created in 1953. It was then called the Hispanic Young Adult Association and is known today as the Puerto Rican Association for Community Affairs. Its purpose was to foster the development of a new Puerto Rican leadership in New York City as well as the initiation of diverse community projects. The Puerto Rican Forum was founded just 5 years later with a similar purpose. In addition to encouraging leadership skills among young Puerto Ricans, it worked towards the creation of more Puerto Rican institutions that were severely lacking in the United States at that time.

As a result, just 3 years later, in 1961, ASPIRA was founded. Although this organization was originally located only in New York City, today it is a national entity with offices in a variety of States providing Puerto Rican youth with the tools necessary for their development. ASPIRA has given, and continues to give, many young Puerto Ricans a vision they might otherwise never have had. The word "aspira" means "aspire" in Spanish, and this is precisely what this organization teaches young people to do. ASPIRA shows Puerto Rican youth that they can set goals for themselves and achieve these goals by developing certain skills and utilizing them to create the resources they need to accomplish their objectives. The impact ASPIRA has had on the lives of Puerto Rican youth is clear when one considers the successful careers of former Aspirantes such as Fernando Ferrer, president of the Borough of the Bronx; Joseph Aguayo, general secretary of the International Multiple Sclerosis Society; and Myrna Milan, the first Latin woman to be appointed municipal court judge in the State of New Jersey, not to mention many others.

In the 2 decades following the foundation of ASPIRA, Dr. Pantoja established various educational institutions as well as several research centers. In 1972, Dr. Pantoja founded Universidad Boricua, the first Puerto Rican university in the United States. Today, this institution has two campuses, one in Washington, DC and the other in New York City. Six years later, in 1978, Dr. Pantoja founded the Graduate School for Community Development in San Diego, CA. This institution taught members of community-based organizations, community leaders, youth, and so forth, the skills necessary to bring about the development of their communities.

Dr. Pantoja has also established institutions that compile studies regarding Puerto Rican issues and matters of interest. The Puerto Rican Community Development Project that Dr. Pantoja directed in 1964, for example, produced a study on the poverty conditions of the Puerto Rican community in New York City. Two year later, in 1966, Dr. Pantoja founded Research for Urban Education, Inc., a publishing house that produced materials for Puerto Rican school children. Similarly, the Puerto Rican Research Center founded in 1970, produced a bibliography exclusively on the subject of Puerto Ricans.

Because Dr. Pantoja has spent most of her life in the United States, all of the aforementioned institutions were established here and subsequently in Puerto Rico. Recently, however, Dr. Pantoja decided to return to her native Puerto Rico and it is there that her latest contribution to community service, Producir, was established. Producir, Inc., is a community development organization that works with farm workers in an agricultural town in Puerto Rico to encourage the establishment of a local economy. As is the case with the other organizations Dr. Pantoja has founded, Producir provides people with the structure and the skills necessary to work toward their development.

Besides forming part of the directive body of the institutions she herself established, Dr. Pantoja has served on the governing boards of other community-oriented organizations. In 1967 and 1968 she was a delegate at large to the Constitutional Convention of New York State and a member of the Blue Ribbon Bundy Panel for school decentralization. Dr. Pantoja has also been a member of the national advisory board of the Institute for Puerto Rican Policy, Inc., in New York City and of the board of the Independent Sector in Washington, DC.

For these invaluable contributions to the Puerto Rican community, as well as countless others, Dr. Pantoja has received numerous awards. She has been named "Extraordinary Woman of Achievement in New York City" and National Hispanic Educator of Distinction. In addition, Dr. Pantoja has received the "1980 Award for Exceptional Service and Work to End Poverty" and, just last month, the John W. Gardner Leadership Award.

Dr. Pantoja is also an accomplished scholar and author. She holds a bachelor's degree

from the City University of New York Hunter College and in 1980 she was admitted to its alumni hall of fame. Dr. Pantoja also possesses a master's degree in social work from Columbia University and a Ph. D. from the Graduate School of Experimental Colleges and Universities in Yellow Springs, OH. She is the author of many publications on the Puerto Rican community, social work, and community development.

Dr. Pantoja is clearly an exceptional woman of boundless generosity. She has devoted the great part of her life to helping Puerto Ricans improve their situation by showing them how to develop themselves and the community in which they live. Dr. Pantoja has inspired people to do more than just dream and has opened doors for them they never imagined existed. She has brought, and continues to bring, hope for a better future to otherwise hopeless individuals and communities. Dr. Pantoja has displayed a compassion and leadership that has touched the lives of innumerable Puerto Ricans both in the United States and in Puerto Rico. It is thus a great honor for me today to pay tribute to this exemplary woman and express my eternal gratitude for her priceless contributions to the Puerto Rican community.

CONGRESSIONAL SALUTE TO ROBERT A. GEORGINE AND JOE GLAZER

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, November 18, 1991

Mr. ROE. Mr. Speaker, it is with great pride and admiration that I rise today in tribute to two outstanding Americans, Robert A. Georgine, president of the AFL–CIO Building and Construction Trades Department, and Joe Glazer, chairman of the Labor Heritage Foundation. Through their actions, these two individuals have contributed so much to the labor movement of our country and working people everywhere.

On November 23, 1991, the ninth annual Sol Stetin Award Dinner will be held in my Eighth Congressional District, at the William Paterson College in Wayne, NJ. This festive occasion will honor President Georgine and Chairman Glazer who are this year's recipients of the prestigious Sol Stetin Award.

The dinner will benefit the Botto House, which was declared a national landmark in 1983. The Botto House played a major role as a haven for free speech and assembly during a stirring chapter of U.S. history, the 1913 Paterson silk strike. The 6-month strike involved more than 23,000 silk workers and is considered to be a milestone toward reform of the American workplace, eventually resulting in the acceptance of the 8-hour day, minimum wage standards, and other worker benefits now broadly enjoyed by Americans.

Mr. Speaker, Robert A. Georgine has enjoyed a long and illustrious career serving the working people of America. Tonight, we pay tribute to his outstanding leadership. I'd like to tell you a little bit about Bob, so you're aware of how his solid values were formed. He was born in Chicago, IL, on July 18, 1932, and received his education at two outstanding schools, the University of Illinois and DePaul University. He is married to the former Mary Rita Greener, with whom he has four wonderful children: Robert, Georgine, Rosemarie, and Mary Beth. A veteran, Bob served in the U.S. Army in 1955–57.

Bob apprenticed with local No. 74 of the Wood, Wire, and Metal Lathers' International Union in 1953. He has held a variety of positions within the labor movement, culminating with his present position as president of the Building and Construction Trades Department of the AFL–CIO. He assumed this august position in 1974.

Mr. Speaker, Bob is truly a man of the people. He has long been involved in a variety of charitable and public interest organizations. These include past membership on the Presidential Commission on Efficiency and Cost of Government as well as the advisory board of the built environment of the National Academy of Sciences. His current membership includes the advisory committee to Harvard—MIT Joint Committee for Urban Studies, the Center for National Policy and Citizens for Tax Justice, and numerous other organizations dedicated to the public good.

Bob's good deeds have not gone unrecognized. He has been commended by the U.S. Department of Labor for his contribution to Occupational Safety and Health Programs. He has received many prestigious awards, such as the Brotherhood Award of the National Conference of Christians and Jews and the National Italian American Foundation's Distinguished Achievement Award. He has truly earned these plaudits.

Mr. Speaker, tonight we also honor Joe Glazer, the chairman of the Labor Heritage Foundation, which is a national organization that promotes labor music, drama and culture in the labor movement, and general public. Joe is affectionately known as "Labor's Troubadour." For 45 years his voice and guitar have been heard on dozens of picket lines, in a hundred union halls and at scores and protest rallies.

Joe's well-known compositions include "The Mill Was Made of Marble," "Automation," and "Too Old to Work." He is coauthor of the book, "Songs of Work and Protest," and is the star of a documentary film "Songs and Stories of Labor." Public television has produced two half hour programs of his songs.

Joe has performed in almost every State in the Union and 60 countries around the world. His most impressive appearences include entertaining at the historic merger of the AFL–CIO in 1955, for President Jimmy Carter at the White House on Labor Day in 1980, and at the Solidarity Day demonstration before 30,000 workers in Washington, DC.

Mr. Speaker, it is, indeed, an honor to pay tribute to these two outstanding American citizens who have done so much to aid the working men and women of our great Nation. I salute Robert A. Georgine and Joe Galzer, the recipients of the 1991 Sol Stetin Award.

SENIOR OLYMPIANS HONORED

HON. DON SUNDQUIST

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, November 18, 1991

Mr. SUNDQUIST. Mr. Speaker, I want to share with my colleagues the wonderful story of Elizabeth Morris of Lexington, TN, who is 84 years young, active, and full of life. Last summer, she competed in the Senior Olympics, where she and her partner, Muriel Miller, won the gold in bowling in the 80–84 age group.

I have had an opportunity to visit with Elizabeth and others who are active in the senior games in west Tennessee and I have never failed to come away cheered by their spirit. I ask that Elizabeth's own account of her gold medal win, published in the Lexington Progress, be reprinted in the CONGRESSIONAL RECORD.

BOWLING TID-BITS

(By Elizabeth Morris)

Muriel Miller and I took 1st place in doubles in State Senior Games [Olympics] in Clarksville last August. I took 1st place in singles.

After a lot of thought, we finally decided to go on to Syracuse, N.Y., for nationals. We took off for Memphis Airport on June 27th, had a 3 hour layover in Detroit. I bowled in singles 3 games 28th, 3–29th and took 4th place. Top six were in roll off which was Saturday. I failed for a chance to bowl for 1st by 1 pin, ended up with bronze medal for 3rd place.

Then we bowled 3 games in doubles, also 3 games Monday, took 1st for roll off with top 6 teams, being first. We only had to bowl one game. It was "goose-pimply" all the way, we were ahead at the half and somehow hung on to win. Thrill, thrill, just to know we won for Henderson County. Can't think of anything more exciting than to bring home the "Gold."

We really appreciate our friends at home pulling for us, also the prayers for a safe trip.

Want to thank Eastgate and Malco Lanes for just being there which gave us a shot at this venture.

We, being in age 80–84 group thought this might be the beginning of "cut off" time but after seeing 95 and up younguns participating, we plan to keep on keeping on.

No one should toot their own horn, sorry if that's the way I sound. Gold medals have a tendency to keep the ole motor running.

We are so thankful we had a chance to show others they shouldn't get "rockin' chair fever" too early. Will hold on to my motto, "Live as long as I'm alive."

Let's try getting special bowling news together that we might have a column more often. It's good to spout off about bowling.

Thanks for your time, this time, til next time.

TIME RUNNING OUT ON RESTORATION OF ARISTIDE AS PRESIDENT OF HAITI

HON. JAIME B. FUSTER

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Monday, November 18, 1991

Mr. FUSTER. Mr. Speaker, I rise today to warn that time is elapsing and that nothing

seems to be happening in returning Jean-Bertrand Aristide to his rightful position as President of Haiti. The world was outraged by the military coup which deposed President Aristide on September 30. The United States and the Organization of American States took the correct positions in demanding that President Aristide be restored and in imposing economic sanctions. Alas, nothing has happened.

Mr. Speaker, this is deplorable, and the more time passes the more difficult it will be to restore President Aristide to office. It behooves Congress and the administration to actively explore what else can be done in seeing democracy restored to Haiti.

I say this, Mr. Speaker, because reports from Haiti are not encouraging. To this end, I commend to the attention of my colleagues today an article in the Boston Globe of October 23, 1991, written by Pamela Constable, which succinctly explains the complexities of the situation in Haiti.

The article follows:

[From the Boston Globe, Oct. 13, 1991]

IN HAITI, THE ELITE TOAST THEIR COMEBACK

(By Pamela Constable)

PORT-AU-PRINCE, HAITI.—If there was any doubt that the politics of cynicism and fear have returned to Haiti, it vanished with the popping of champagne corks at the presidential palace Tuesday night.

Giddy with triumph, politicians in shiny suits and soldiers in green helmets gulped from glasses of Veuve Cliquot worth $32 a bottle—the equivalent of two weeks' wages for the small fraction of the Haitian populace that is formally employed.

Seven months after their stunning electoral loss to Jean-Bertrand Aristide, the man capable of stirring hope and anger in the breasts of Haiti's hungry masses, the country's civilian and military elites have firmly restored their partnership of power.

Aristide, overthrown Sept. 30, is safely in exile. An elderly figurehead president has been installed in his place, and the millions of Haitians who danced in the street after Aristide's election last December have been cowed into sullen silence.

Businessmen are starting to grumble over the economic sanctions urged Tuesday by the Organization of American States, but most seem far more offended by the threat of foreign sanctions than by the ouster of their president or the shooting deaths of at least 200 protesters that followed.

Certain human rights advocates, sensitive to the shifting sands of opportunity and power, have waxed boldly indignant over alleged abuses by Aristide's government that never seemed to bother them under previous, more dictatorial regimes.

Members of Parliament, wrapping themselves in constitutional jargon and patriotic rhetoric, managed to ignore a military coup and declare the presidency simply "vacant."

"My heart is bleeding, but I felt I had to come," said Louis de Joie, a conservative political leader, as he arrived at Tuesday's swearing-in for the provisional president, Joseph Nerette. Asked what he thought of Aristide's plight, he shrugged and said, "His heart must be bleeding, too."

Nobody claims to have supported the coup, which was started by a group of disgruntled soldiers. But with each passing day more arguments are polished and articulated as to why Aristide should not be allowed to return no matter what the rest of the world thinks.

He was mentally unstable, insist women shopping in posh Petionville boutiques. He was agitating the poor to attack property, assert factory owners. He trampled on the constitution, complain legislators. He was another dictator in the making, say students of the long, despotic history that began with Haiti's slave revolt 200 years ago.

Some of these charges have a ring of truth, especially if one listens to recordings of Aristide's last speeches before the coup. They are hypnotic, cadenced harangues to the oppressed; religious in tone and unmistakably revolutionary in content.

"If you catch a thief"—someone who has become rich by exploiting the poor—"don't neglect to give them what they deserve," he shouted repeatedly in a recent speech to tens of thousands of cheering people in front of the presidential palace.

Even some sympathizers suggest that Aristide, once a priest in a Port-au-Prince slum, became too intoxicated by his powers, too obsessed with revenge against Haiti's corrupt and oppressive establishment to govern wisely and responsibly.

But Aristide, like the forces that quickly aligned against him, was the product of a society in which fear, greed and envy had always held sway, while institutional concepts like democracy had little meaning.

To many of the 6 million suffering Haitians, he was the avenging angel who would deliver them from poverty, racism and despair.

But to the army and segments of the upper class, which had long divided the spoils of Third World power, Aristide was the first, formidable threat to their way of life.

In shacks abutting factory fences and in hallways of resort hotels, frightened people motion to visiting journalists and ask hopefully, over and over, do you think he will come back?

But in air-conditioned offices, elegant cafes and dingy army barracks, the answer is categorical: Let the world impose economic sanctions or send in international observer teams if it likes, but Aristide is never coming back.

VETERANS' DAY, 1991

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, November 18, 1991

Mr. MAZZOLI. Mr. Speaker, I rise today to add to the tributes paid to our Nation's veterans on Veterans' Day, November 11.

Since the conclusion of Operation Desert Storm, all veterans have been deservedly showered with parades and adulation for their service in protecting American soil, American ideals, and American freedom.

Mr. Speaker, it always seems each Veterans' Day has a unique aspect to it. On this Veterans' Day, survivors of the Pearl Harbor attack joined together across the country to commemorate the 50th anniversary of the attack on the ships of the Pacific Fleet at Pearl Harbor.

In my community of Louisville and Jefferson County, over 45 survivors of the Pearl Harbor attack met at the Robert E. Neuman Veterans of Foreign Wars Post to receive, among other things, a Pearl Harbor Commemorative Medal which we in Congress authorized last year. I applaud the efforts of Ellis O'Neal, the State chairman of the Pearl Harbor Survivors Association, for his work in coordinating this ceremony.

Mr. Speaker, I also commend to the attention of our colleagues the following tribute to the flag sent to me by retired Army Capt. Virgil E. Carrithers from my hometown of Louisville. Captain Carrithers is 94 years old—a spritely, lively veteran of World War I—who reveres the American flag with a passion which is both remarkable and life long

Mr. Speaker, as a veteran of Army service back in the 1950's, I join my fellow veterans in celebrating Veterans' Day, 1991:

I am the flag of the United States of America, also known as Old Glory and the Star Spangled Banner.

My stars and stripes' motif was created on June 14, 1777, when the Continental Congress, Resolved, that the flag of the thirteen United States be thirteen stripes, alternate red and white; that the Union be thirteen stars, white in a blue field, representing a new constellation.

I am the glorious emblem of every United States' citizen and should be so regarded by every one of them; those who do should be proud to do so, those who do not do so, should be ashamed and not regarded as citizens of this country.

All of the sacrifices that have been made in my service have not only preserved the freedom to worship as desired, but are worthy of respect to the memory of the ones who made those sacrifices.

Written and distributed by 94-year-old (February 1991) Virgil E. Carrithers, Army Veteran World War I, Capt. USAR (Ret.).

SALUTE TO CLARK DRANE

HON. ELTON GALLEGLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 18, 1991

Mr. GALLEGLY. Mr. Speaker, I rise today to honor a true community and business leader, Clark Drane of Sunland, CA.

Ever since Clark came to California after World War II, he has been active in his community, serving in education, youth groups, service clubs, charitable organizations, civic and governmental groups.

Among his many credits are serving on the committee that brought what is now California State University, Northridge, to the San Fernando Valley; being part of the group that created the United Chambers of Commerce of the San Fernando Valley; helping build a YMCA in the community; and serving as chairman of the California Water Quality Control Board.

In 1987, Clark was recognized for his many accomplishments by receiving the Fernando Award, given to the outstanding resident of the valley.

Mr. Speaker, on November 23, Clark will be presented with the 29th Annual Free Enterprise Award, given each year by the San Fernando Business and Professional Association. He joins such luminaries as President Ronald Reagan, Bob Hope, Pat Boone, Roy Rogers and Dale Evans, and Gene Autry in receiving this honor. I ask my colleagues to join me in saluting Clark Drane for his outstanding record of service to the valley.

FIREFIGHTERS FOUNDATION EDUCATES CHILDREN

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 18, 1991

Ms. ROS-LEHTINEN. Mr. Speaker, I would like to recognize the "Partners in Safety" Family Fair, to be held on December 1, 1991. It is a program hosted by the Firefighters Foundation to benefit safety programs for children in south Florida.

Statistics show that 8,000 children die a year as a result of accident-related injuries. In addition, 50,000 children are disabled and 150,000 children are injured because of accidents. The "Partners in Safety" Program will educate participants, ages 5 to 15, on a wide range of safety issues.

The Firefighters Foundation recognizes the importance of a wide range of safety education in the prevention of accidents. The topics to be covered include fire safety, poison control, drug awareness, lightning and hurricane safety, street safety, bicycle safety, and CPR training. This is just a sampling of the relevant issues that will be covered during this day-long festival.

In addition to the educational programs at the fair, children of all ages will be able to enjoy fun activities which will serve to attract a large number of participants, thus increasing the opportunity to educate the young children in attendance.

The effects of this educational fair are far reaching, as evidenced by the 46 cosponsors of the festival. All proceeds will go to Firefighters Foundation, to be used for safety education in schools throughout south Florida. I wish the foundation and all of its participants the best of luck in fighting the war against accident-related injury. I especially want to congratulate Mr. Norman Teitler, the executive director of the Firefighters Foundation.

THE PASSING OF GOV. RALPH M. PAIEWONSKY

HON. RON de LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 18, 1991

Mr. DE LUGO. Mr. Speaker, I rise to honor the memory of a great Virgin Islander and personal friend, Gov. Ralph M. Paiewonsky, who passed away Saturday, November 9, 1991 at the age of 84.

Governor Paiewonsky was the man most responsible for bringing the Virgin Islands, in less than a decade, from a sleepy island community to a mecca for Caribbean trade and tourism. His vision, and his ability to translate that vision into action, made possible tremendous leaps in the quality of living for thousands of Virgin Islands residents.

In his inaugural address on April 5, 1961, Governor Paiewonsky boldly announced his administration's objectives: To make island life more abundant; to accelerate the economy; to further advance cultural, moral and spiritual life; and to make greater political progress.

This he certainly did. When Ralph Paiewonsky took office in 1961, the Virgin Islands' average per capita income was $600. By 1970 when the Paiewonsky administration had left office, tourism arrivals had jumped sevenfold, the labor force had more than tripled, and Government spending had increased from $7.1 million to almost $65 million per year. And the average per capita income had risen to $4,933, more than eight times greater than when he became Governor.

But Ralph Paiewonsky's greatest dream was to establish a College of the Virgin Islands. He knew that the key to success for the Virgin Islands and its people was education, and he knew higher education was crucial if Virgin Islanders were to assume positions of leadership in Government and industry. Almost single handedly he forged his vision into reality, pushing the legislation, securing the funding and other resources, and staffing the administration and faculty. As chairman of the board of trustees, Ralph Paiewonsky continued to push for excellence in higher education and transformed the College of the Virgin Islands into the University of the Virgin Islands. It became an institution that served not only the Virgin Islands but the entire Caribbean and became a crossroads for regional cultural, political, and economic exchange.

Ralph M. Paiewonsky was a true giant in the history of the Virgin Islands. He will be sorely missed. But his enormous legacy will live on, in the institutions he created, in those he nurtured, in the prosperity he brought to the Virgin Islands, and in the hearts of those who knew and loved him.

THE OPENING OF THE NEW WORLD

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, November 18, 1991

Ms. DELAURO. Mr. Speaker, as we prepare to celebrate the Christopher Columbus Quincentenary, I would like to bring to the attention of my colleagues an excellent essay which appears in the 1992 Congressional Calendar published by the U.S. Capitol Historical Society. The article was written by a good friend, Robert J. Leeney, who is editor emeritus of the New Haven Register and a director of the New Haven Colony Historical Society.

THE OPENING OF THE NEW WORLD

(By Robert J. Leeney)

When the three ships of Christopher Columbus, the Nina, the Pinta, and the Santa Maria set sail from Spain in 1492 they were, in effect, cockleshells of sailing theory and faith afloat on a dark, unchartered ocean. In so fragile a venture, risk was the only certainty.

But when Columbus returned to Spain from the New World in the spring of 1493, he had launched the Age of Discovery. Humanity's understanding of the round world's possibilities and challenges had been redefined. Europe's burden of decaying empires and old enmities would now be replaced by an almost-universal vision of expansion and change. The Columbus landings launched for centuries wave after wave of political and social revolution by immigration. Profound questions of individuality and human rights—questions that we are still exploring 500 years later—had been seeded in new soil resistant to the Old World's decadent ways.

Christopher Columbus was child of the Middle Ages. He was an adventurer with roots in brawling, ancient Genoa the medieval city-state to which he gave his lifetime loyalty. But he was also a studious sailor, watchful of winds, currents and tides, careful about maps. He had become convinced he could sail west from Europe into a void nobody knew and return—with great mysteries answered and with riches for the crown he served.

The times in which Columbus lived were harsh. Rulers had absolute power. War and death were common. The daily lives of ordinary men and women and their families were imperiled by disease, disorder, and cruel poverty. In popular belief the world's end was considered near. The conversion of all unbelievers was a Christian duty, and Columbus viewed seriously his given name, Christopher or "Christbearer."

For nine years in royal courts Columbus patiently petitioned kings and queens to send him toward his dream. After Ferdinand and Isabella of Spain finally embraced his plan, Columbus boldly pressed fragile ships and fearful men through 33 days of tension on a landless sea. When he knelt in thanksgiving beneath the flag and cross on October 12, 1492, he was not on the shore of Cipangu (Japan) as he thought. He had come instead to an unknown place in a New World. He had found a new dynamic on the earth, and matched the explorer's horizons of the eye with horizons of the mind that are still unfolding.

Whether "discovery," "encounter," or "invasion" is the apt word for the centuries of change that followed the Columbus landings has become a proper subject for scholarship in this quincentennial.

The achievement of Columbus, however, stands unsullied in time. Bold in spirit, resolute in thought, the Admiral of the Ocean Sea revealed the Americas as a fertile modern source for human progress. Here he doubled the size of the earth his generation knew and renewed for uncounted generations the civilized ideals of courage, faith, self-confidence and mutual trust. He had shown that a bold and believing mind, and a brave heart, at work in the natural world, could change times in decline and refresh all human inspiration.

BILL TO REPEAL THE SOCIAL SECURITY EARNINGS TEST

HON. JERRY HUCKABY

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 18, 1991

Mr. HUCKABY. Mr. Speaker, today I want to reiterate my support for this bill. Currently, the Social Security earning limit penalizes seniors between age 65 and 69 by reducing their social security benefits by $1 for every $3 earned per year over $9,720. My colleague, Mr. HASTERT'S bill will repeal this provision.

Studies have estimated that 700,000 seniors would enter the workforce generating a $15.4 billion increase in our annual output of goods and services. Two-thirds of those who would benefit from repeal would have an earned income of less than $40,000. The current system discriminates against low and middle in-

come workers and favors upper income levels. It is unfair that the Government taxes seniors for struggling to be financially independent.

With the current high cost of living especially health care costs many seniors have no option but to try and supplement their income. I simply do not believe that it's equitable or fair to penalize individuals for working in their retirement years. Older Americans deserve independence, dignity, and the opportunity to remain part of our workforce.

Mr. Speaker, I urge my colleagues to join me in eliminating this inequity to our working seniors.

REA LOANS

HON. TIMOTHY J. PENNY

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 18, 1991

Mr. PENNY. Mr. Speaker, the important work of the Nation's rural electric and telephone cooperatives has recently come under attack from certain sectors of the media and the administration.

I certainly have some concerns about low-interest Rural Electrification Administration [REA] loans for rural electric cooperatives that are no longer in need of such funding or not even located in rural areas. It is evident that certain electric and telephone co-ops should no longer receive such low-interest loans at taxpayer expense if those funds are not warranted.

However, hundreds of rural areas are served by rural electric cooperatives that operate in regions that would not otherwise be served with electricity and telephone services. In these cases, REA lending programs have made electricity and telephone service available at affordable rates to the benefit of farms and rural communities. There is no doubt that in my home State of Minnesota and throughout rural America REA programs have made much rural economic development possible.

I would like to include for the RECORD the following editorial from the Rochester, Minnesota Post-Bulletin of November 14, 1991. It outlines the extraordinary efforts to restore electricity service undertaken by rural electric co-ops in Minnesota following a recent ice and snow storm in our State.

[From Agri News (supplement to the Rochester, MN; Post-Bulletin, Nov. 14, 1991]

REA'S SHOW WHY SYSTEM REMAINS SO IMPORTANT

A recent segment of the television news program 60 Minutes suggested that the Rural Electrification Administration has outlived its purpose and should no longer be subsidized by taxpayers.

Bush administration officials were quoted as saying that the power lines are up, the farmers have electricity, so let's quit giving rural electric cooperatives low interest loans and loan guarantees.

The White House Office of Management and Budget has recommended phasing out all REA subsidies to electric cooperatives over a 10-year period.

The 60 Minutes program offered examples of REA low interest loans being use to finance a luxury ski resort in Colorado and a golf course in Florida.

We think it's too bad a 60 Minutes crew wasn't in Iowa and Minnesota last week.

A massive ice storm—the worst anyone can remember—toppled miles of power lines and left thousands of rural residents without electrical power during a week when record cold hit the area.

Some people are just getting their power restored this week.

Damage to RECs throughout the area hit by the storm will be millions of dollars.

As the manager of one Iowa rural electric cooperative put it, "I'd love to see 60 Minutes do a piece on keeping the power on in rural areas under these conditions. They'd see that we don't have any luxury resorts and golf courses out here."

Instead, they would have seen line crews working 16- to 18-hour days in frigid temperatures.

They would have seen farmers assisting line crews by cutting trees, chipping ice, pulling out trucks that were stuck and providing workers with hot coffee and warm meals.

They would have seen farmers operating dairy and hog operations with standby generators.

They would have seen neighbors helping neighbors, people cooking on camp stoves, homes lit with candles and fire departments hauling water for livestock.

Eveyone—including the municipal—and investor owned utilities—did an admirable job of turning the lights back on in rural Minnesota and Iowa last week.

But now the work of restoring systems to their pre-storm condition begins.

The RECs in Minnesota and Iowa can't withstand the type of damage they did without relying on low-interest REA loans. Some RECs would have difficulty finding financing from private-sector sources alone.

Unlke the Bush adminsitration, we don't think that the REA has outlived its purpose.

Yes, the electric lines are up, but maintaining those lines and providing affordable service to rural customers is an ongoing process.

If there are abuses of REA loans, do something about that, but don't turn off the lights on the entire system.

TRIBUTE TO DON LUIS FERRE

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 18, 1991

Mr. SERRANO. Mr. Speaker, it is with great respect and admiration that I rise today, the 18th of November of 1991, to pay tribute to Don Luis Ferre and offer him my warmest congratulations. Today, Don Luis will receive the Presidential Medal of Freedom. This medal is the highest award the Government of the United States bestows on civilians, and Don Luis is unquestionably a most deserving candidate.

Don Luis is an accomplished engineer who obtained his engineering degree from the Massachusetts Institute of Technology. Upon completing his engineering degree, Don Luis was employed as an engineer at the Puerto Rico Iron Works. He later went on to found the Puerto Rico Cement Co. in Ponce together with his brother. In addition, Don Luis is a trained classical pianist who occasionally performs in public, as well as a lawyer. He obtained his doctorate in music from the New England Conservatory of Music and his doctorate in international law from Florida International University.

Don Luis is probably best known for the invaluable role he has played in Puerto Rico's political stage throughout the past 40 years. He was a member of the Constitutional Convention of Puerto Rico and thus played an integral part in the elaboration of the constitution of 1952. Being a staunch advocate of statehood for Puerto Rico, in 1967 Don Luis founded the New Progressive Party. He then went on to become Governor of Puerto Rico from 1969 to 1972 and president of the Puerto Rican Senate from 1977 to 1980. Today, at 87 years of age, Don Luis still plays an active role in Puerto Rican politics as chairman of the Republican Party.

Yet not only is Don Luis a successful politician, but an esteemed philanthropist as well. Equally noteworthy to his political achievements are the numerous contributions he has made to the people and culture of Puerto Rico. In 1937, Don Luis founded the Ponce Public Library. Thirteen years later, in 1950, Don Luis established the Luis A. Ferre Foundation, a cultural foundation. And in 1952, Don Luis opened the Ponce Museum of Art—an outstanding collection of paintings, including a number of pieces by Don Luis himself. Today, Don Luis plays an active role in the Christopher Columbus Quincentenary Jubilee, of which he is a member by presidential appointment.

For such exemplary contributions, among countless others, Don Luis has received a number of honors and awards. In 1959, he was made a Knight of the Holy Sepulcher by Pope John Paul XXIII and, in 1971, he was awarded the Hoover Medal. Today, he is to receive the Presidential Medal of Freedom—a medal to honor meritorious contributions to the national interest of the United States, world peace, or cultural or other significant public or private endeavors. This is an honor bestowed only upon a select few and there is no question in my mind that Don Luis belongs to this group.

Mr. Speaker, please join me in paying tribute to an exceptional man whose achievements extend above and beyond any political boundaries. Don Luis has dedicated his life to community service in numerous ways and has thus made priceless contributions to Puerto Rican history and culture. His innumerable accomplishments have enriched the lives of millions of people. Don Luis is a man of many talents who has left an indelible imprint on the 20th century. He constitutes an extraordinary role model for one and all to follow, and it is my hope that those of us here now, as well as the generations to come, may learn from his unsurpassable humanity and generosity. It is thus with great pride that I rise today to offer my heartfelt congratulations to Don Luis Ferre' and express my gratitude for his commendable contributions to the Puerto Rican community.

ST. GERARD'S R.C. CHURCH OF PATERSON, NJ HONORS MICHAEL GAROFALO

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, November 18, 1991

Mr. ROE. Mr. Speaker, it is with the greatest pride and admiration that I rise today to salute a truly outstanding individual on his accomplishments in conjunction with a truly outstanding institution in my Eighth Congressional District of New Jersey. A man who has given his time, his talent and his heart to improving his community and making a positive difference in the lives of those around him. Michael Garofalo is a man who exemplifies the term "Good Citizen" and has acted in the highest tradition of community involvement.

For his outstanding work over the past 20 years with St. Gerard's Church of Paterson and for his many activities of public service, Michael Garofalo will be honored by his fellow parishioners, family and friends. A dinner-dance will be held by the parish of St. Gerard's as an expression of gratitude on Saturday, November 23 in the St. Joseph Center. I know that this event will bring great pride to Michael and his family, Rev. Louis Bihr, pastor of St. Gerard's and the entire parish.

Mr. Speaker, this is a fitting tribute to a man who has dedicated his life to helping his community. Michael grew up in Garfield, NJ, and was educated in the local public school system. After the sudden loss of his father at the early age of 9, Michael's mother continued to raise her children under the spiritual guidance and shelter of Our Lady of Mount Virgin's Parish in Garfield. After graduating from high school, he pursued a higher education at Newark College where he studied engineering. Michael received his bachelor of science degree in mechanical engineering in June of 1966 and later a master's from the Rutger's University Graduate School of Business Administration in 1981.

In between his educational accomplishments, Michael Garofalo married Donna D'Amico on August 3, 1968 at St. Anthony's Church in Hawthorne, NJ. Blessed with three children; a daughter, Marcia Anne and twin sons, Michael and Daniel, the family settled in Haledon where Michael served as county committeeman, a member of the Haledon Recreation Committee and was police commissioner.

Michael is well-known at St. Gerard's for his many activities within the parish. At the request of Msgr. Mark Giordani, he became involved with bingo, frequent parish social activities, the school parent teacher group, and altar boy service. His dedication and commitment to St. Gerard's community continues with Father Lou Bihr's leadership.

Presently, Michael Garofalo serves several memberships and organizations within the church including: the House Committee, the Knights of Columbus Council 7028, the Holy Name Society, St. Gerard's School Board, coordinator of the Finance Committee, chairman of the Fundraising Committee, he serves as the school financial advisor and a frequent church lector.

Beside these activities, Michael is also employed full time as the general manager of the extruded specialty products division at Ames Rubber Corp. in Hamburg, NJ. He is a senior member of the Society of Manufacturing Engineers and a member of the American Society of Mechanical Engineers.

As you can see, Michael Garofalo is an active caring citizen of his community and of this Nation. He inspires others with his actions and leads by his example. Mr. Garofalo is being honored for his devotion to the fundamental ideals upon which this country was founded and the spirit with which he has carried them to his neighbors. I am proud indeed to represent such a man as this here in the people's House.

JOHN SLOAN REMEMBERED

HON. DON SUNDQUIST

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, November 18, 1991

Mr. SUNDQUIST. Mr. Speaker, like many of my colleagues, I was saddened to learn of the passing of John Sloan Jr., a man I regarded as a friend and respected as a leader of courage and of common sense.

John Sloan will long be remembered for his stewardship at the National Federation of Independent Business, where he served as president and chief executive officer and had much to do with making NFIB an important and influential advocate for America's small businesses.

We Tennesseans will remember his own business success in Nashville and his long service in a variety of civic and charitable causes. John Sloan was a man who gave of himself, who led by example, and who made a difference for good. He will be missed by all of us who were fortunate to enjoy his friendship and by the larger community as well. He will be well and fondly remembered.

A TRIBUTE TO THE UPS FOUNDATION

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 18, 1991

Ms. ROS-LEHTINEN. Mr. Speaker, I am pleased to recognize the UPS Foundation, a community project funding program sponsored by the United Parcel Service [UPS]. The foundation was created in the early 1950's with the aim of improving the communities in which UPS workers lived.

On a national level, the foundation has the National Grant Program. It supports education, health, and human welfare programs through providing grants for programs such as academic research, business education, public policy research, minority scholarships, programs for the handicapped, medical research, and aid for families and children in crisis.

The Region/District Grant Program takes a more local, and thus personal, approach to grant funding. The foundation yearly selects UPS employees to serve on region and district grant committees. On these committees, the workers enter the community and evaluate the community needs. The members of these committees then recommend to the foundation what programs they believe should be funded. Projects sponsored on this local level include food warehouses, shelter for the homeless, care for the elderly, and support for teenage mothers. In addition to involving its employees on an evaluatory level, the UPS foundation also encourages its workers to contribute funds to worthy institutions, whether local or national. The foundation will then match all funds dollar-for-dollar.

I would like to recognize and thank members of the south Florida area who have contributed time and money to the foundations work. Specifically, I commend John Saunders, district human resources manager, Herman Radish, safety manager, and Ron Aversa, employment manager. Their efforts have helped to improve the community in which they live.

I am glad to be able to recognize the UPS Foundation for its actions which have improved not only my district and neighborhood but all of our districts and communities. I wish them continued success in their efforts to elevate the environment in which we all live.

SALUTE TO VICKY LEARY

HON. ELTON GALLEGLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 18, 1991

Mr. GALLEGLY. Mr. Speaker, I rise today to honor an outstanding local official as she retires from public service.

Vicky Leary has ably served the residents of Agoura Hills since before the city incorporated in 1982. Before Agoura Hills became a city, she was a member of planning and homeowners' groups, and was a member of the Cityhood Committee that led the fight for incorporation.

She was elected to the first city council, and was reelected in 1987. During that time, she served two terms as mayor, and has worked hard to help guide Agoura Hills through the inevitable growing pains that accompany the birth of a city.

Among her achievements are increased park and recreation services, an extensive senior citizen program, city beautification programs, more police protection, antidrug efforts in the schools and—not least—a 40-percent reduction in the crime rate.

Mr. Speaker, on November 20, the city council will host a reception to honor Vicky Leary for her years of service to her community. I ask my colleagues to join me in saluting her, and in wishing her well as she retires.

TRIBUTE TO UNION CITY MAYOR TOM KITAYAMA

HON. FORTNEY PETE STARK

OF CALIFORNIA

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 18, 1991

Mr. STARK. Mr. Speaker, it is with both regret and profound appreciation that we announce today the retirement of one of California's most valued public servants, Mayor Tom Kitayama of Union City, CA.

Tom has been a man of accomplishment in all aspects of his life; family, business, and public service. After graduating from Washington State University in 1945, he began building what is today a nationally known carnation wholesaling business. During that time he and his wife, Heidi, took on the task of raising a family of four children.

These accomplishments give some indication of the talents Tom Kitayama would bring to public service in Union City. Throughout his political career, Tom has been a pioneer and a consensus builder. In 1959, he led the effort to organize several communities into what is now Union City, a city of over 50,000 residents in the east San Francisco Bay area. Once Union City was incorporated, the citizens of that city turned to Tom Kitayama to serve on the city council and as the appointed mayor. Thus, Tom became the first Japanese-American to hold public office in California.

Since 1974, Tom has served as the elected mayor of Union City. In his 32 years of public service, Tom has been a leader in making certain that local government helped provide social services, affordable housing, quality education and helped foster a healthy business community.

Now Tom has decided that it is time for a rest. After 32 years, no one can say that it isn't well-earned. As we understand it, he has to catch up on a lot of fishing and Monday night football. But we hope he will still find the time to share his insight and wisdom with Union City's new mayor, its council and those of us who represent Union City here in the House of Representatives.

As we honor Tom Kitayama on his retirement, we should be grateful not only for his accomplishments in helping to transform Union City into a vibrant community, but also for the example of service to the community he has left us. Tom has shown throughout his career that there is no substitute for integrity and hard work for those who have chosen a life in public service. Tom's accomplishments will never be forgotten, and his day-to-day contributions to life in Union City will be missed deeply.

PUBLIC HOUSING AND ITS DISCONTENTS

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 18, 1991

Mr. MICHEL. Mr. Speaker, it is no secret that one of the great problems America now faces is housing. Nowhere is that problem more troubling than in the area of public housing.

The Peoria Journal Star recently published an editorial decrying the senseless state of public housing in my home town of Peoria, ILL. According to the editorial there is plenty of blame to spread around: labor unions, businesses, State, local and national bureaucracies, national housing policies in Congress and the administration—we all have to take another look at public housing.

As the Peoria Journal Star puts it:

The fact is that Americans are pouring billions into public housing annually and part of the return they get is vacancy, vandalism, fraud, crime and more poverty.

Surely we can do better than that.

At this point I wish to insert in the RECORD, "Fed Up With This Nonsense", an editorial of the Peoria Journal Star, Peoria, ILL, Wednesday, November 6, 1991.

FED UP WITH THIS NONSENSE

On Monday's front page a story ran about how vandals have been destroying vacant Peoria Housing Authority apartments, which now number fully one-third of the PHA's housing stock.

Meanwhile, despite all the vacancies, there's a waiting list for PHA housing with more than 500 names on it. If that isn't senseless enough, another story in Monday's paper reported a surge in overnight guests at the city's homeless shelters. We're in for a cold winter.

If you ask us, there's something terribly wrong with the state of operations at the PHA. Can't somebody do better than this?

The PHA's vacancy team of 15 maintenance workers, among them union carpenters being paid $16 an hour to place boards on windows, say they haven't been able to keep up with the vacancies and the vandalism. Well, why doesn't the PHA hire more carpenters and pay for them with the recaptured rent that's now being lost while these units stay empty? If this were a for-profit apartment complex, you can bet the owners would never let this space remain idle for this long. The boarded up windows are virtually an advertisement, an invitation for drug dealers to do business there.

Even better, why doesn't the PHA hire some of its own tenants to help restore these vacant apartments to occupancy quality?

You don't need to be a union carpenter, or a laborer who's paid between $11 and $13 an hour, to carry trash out of a building or wash down the walls and floors. It would be a way for residents to supplement their welfare checks, a way to give some a sense of purpose, a way for them to ensure that their neighborhood remains clean and safe. It would also be a cheaper way for the PHA to solve its vacancy problems. Both sides win.

But what we hear out of the PHA these days is that they're trying hard, that these vacancies are the result of more than a decade of mismanagement, that we should be patient. What we hear is that money is too tight to hire additional workers, and that the PHA can't secure loans on its own to get the up-front money needed to pay them. What we hear is that at least 250 apartments at Harrison Homes are so badly damaged that an outside construction firm must be hired to repair them.

What we hear is that there's yet another grant application to be submitted to the U.S. Department of Housing and Urban Development for apartment rehabilitation, but that HUD already rejected a similar application after pouring $16 million into Harrison—nobody really knows how much, of course—over the last 10 years with little result. What we hear is that the money might be available in 1992; everyone's keeping their fingers crossed.

What we hear is that 80 apartments at Warner Homes have been rehabilitated and are ready for occupancy, but that they're either too small or too dangerous or too whatever for anybody to move into. What we hear is that union contracts make it impossible to hire residents to help themselves. What we hear is that 1992's budget won't balance unless occupancy goes way up. What we hear is that HUD has too many regulations that tie the hands of housing authorities. What we hear is excuse after excuse why public housing in the United States doesn't work and probably never will.

Public housing has become an absolute joke in Peoria, and the needle on our frustration meter has jumped into the red. It has been more than a year and the vacancy rate for the PHA has steadily increased, especially at Harrison Homes, despite promises to the contrary. PHA Director Wence Cunningham's goal of 80 percent occupancy at Harrison by the end of this year is an impossible dream. Maybe 50 percent is, too.

Sure, the $17 million being spent at Taft Homes is giving those buildings a fresh new look, and that's great. But how long will it last?

Editorials like this don't have much of an impact anymore because people in Peoria, at least, have come to expect this kind of news. But the fact is that Americans are pouring billions into public housing annually and part of the return they get is vacancy, vandalism, fraud, crime and more poverty.

America needs a new public housing policy. We join Peoria Mayor Jim Maloof in calling for a local housing summit, with PHA board members and tenants and developers and labor groups, to map out where public housing in Peoria needs to go. And we urge George Bush and Jack Kemp and Bob Michel to call for a national housing summit to fundamentally change a system that really doesn't serve anybody well anymore.

Our patience with all the promises has just about worn out.

A TRIBUTE TO LUIS A. FERRE, RECIPIENT OF THE MEDAL OF FREEDOM

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 18, 1991

Mr. GINGRICH. Mr. Speaker, today, President Bush honors an outstanding American, former Puerto Rican Gov. Luis A. Ferre, with the Nation's highest civilian award, the Medal of Freedom.

It is my privilege to rise today in the House and pay tribute to Governor Ferre, a man who personifies our Nation's greatest attributes: Patriotism, honor and a deep and abiding belief in helping others.

In Luis Ferre's long and distinguished career, as in his life, we see evidence of a man of profound intellect, who has a deep love for that which makes life more abundant and beautiful: The arts and humanities.

His commitment to those pursuits is evidenced in many museums and buildings of

higher learning which bear his name and many more which do not, but nonetheless would have not been erected without his leadership and support. And like all true leaders, Governor Ferre did not build these structures as monuments to his own life. Rather, they were erected so that others—the millions who travel through his museum in Ponce, PR, and the thousands who use the student center at his alma mater, the Massachusetts Institute of Technology—may instead profit from them.

It is for that commitment to helping others, and the selflessness with which he has pursued his life, that President Bush honors him today.

Luis Ferre has been called the "quintessential self-made man." In his lifetime, he has been an extraordinary success in a variety of fields: Business, politics, philanthropy, art and music. He is a skilled concert pianist, an accomplished artist, an individual who is multilingual, and an internationally recognized engineer and scholar.

His résume could easily encompass the lives of three people. A masters graduate of the Massachusetts Institute of Technology [MIT] and an engineer by trade, he achieved great success in the business world as the vice chairman of the Puerto Rican Cement Co., Inc.

An alumnus of the prestigious New England Conservatory of Music in Boston, where he received a doctor of music degree in 1975, Luis Ferre served for several years as a member of the American Society of Arts and Sciences. He also holds doctor of laws degrees from Harvard University and Amherst College, both in Massachusetts.

His sponsorship of the arts, through the Luis A. Ferre Foundation, is known throughout the world, as is his dedication to a sponsorship of higher education and science. Several presidents have singled him out for service on a variety of special advisory committees on the arts and humanities, and most recently, as a member of the President Task Force on Private Sector Initiatives.

But he is also well-known for a distinguished career in public service. He served as Governor of Puerto Rico from 1969–72 and as president of the Puerto Rican Senate from 1977–80. In 1968, he was elected president of Puerto Rico's New Progressive Party, and also served with honor as a member in both the Puerto Rican House of Representatives and the Puerto Rican Senate.

As an eloquent spokesman for statehood for Puerto Rico, he has devoted a goodly portion of his life to the issue of the island's political status. In this capacity, his leadership was recognized when, in 1951, he was chosen as a member of the Constitutional Convention of Puerto Rico, and later as a member of the first United States-Puerto Rico Status Commission.

He currently serves as chairman of the Republican Party of Puerto Rico, and he and his wife Tiody, are longtime friends of President and Mrs. Bush.

I know all of my colleagues in the House join me in congratulating Governor Ferre for this outstanding honor and all that he has done to serve his fellow man.

A TRIBUTE TO TAYLOR ODGEN AND THE MAILMAN CENTER

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 18, 1991

Ms. ROS-LEHTINEN. Mr. Speaker, I am pleased to recognize Taylor Odgen and the Mailman Center for Child Development at the University of Miami School of Medicine. Taylor Odgen, who was born with Down's Syndrome, was fortunate to have the help and counsel of the Mailman Center. Dr. and Mrs. Steven Poliakoff and sponsors cordially invited guests for an evening to acknowledge the facility of the Mailman Center and its tremendous work with both developmentally handicapped children and their parents.

On November 15, Taylor will be honored at the first annual "Fairy Tale Ball," where a very special guest for the evening will be Taylor's very own "Fairy Godmother" and best selling author, Barbara Taylor Bradford. The event in Surfside, FL will benefit the Mailman Center for Child Development at the University of Miami School of Medicine, programs for genetic counseling and early intervention.

I wish to commend Taylor's parents, Dr. and Mrs. Steven Poliakoff, Barbara Taylor Bradford, and the Mailman Center, for their dedication to such a worthy cause.

RESTORATION OF THE GULF'S RAVAGED ENVIRONMENT MUST GET UNDERWAY

HON. DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, November 18, 1991

Mr. HERTEL. Mr. Speaker, today I am introducing a resolution that asks the United Nations to recognize the importance of damage assessments, cleanup, and restoration in the Persian Gulf region as a result of the vast environmental destruction caused by Saddam Hussein. I am joined by three of my colleagues, who have worked very hard to seek humanitarian assistance and reparations for the war victims, Mr. FASCELL, chairman of the House Committee on Foreign Affairs, Mr. BROOMFIELD, ranking minority member of the House Committee on Foreign Affairs, and Mr. YATRON, chairman of the Subcommittee on Human Rights and International Organizations.

The resolution we present today asks that the Secretary General of the United Nations to provide a special and substantial allocation of the U.N. Compensation Fund to be used for environmental damage in the Persian Gulf region. Upon sale of Iraqi oil, proceeds will flow into the fund to pay and reimburse the extensive personal suffering and property losses caused by Saddam Hussein. In addition, this resolution asks that the disastrous environmental consequences for the people of the gulf region, due to Saddam Hussein's ecoterrorism, be given priority.

Preliminary estimates of the total amount of oil intentionally discharged in the Persian Gulf is over 30 times the amount spilled in Prince William Sound—some 6 to 8 million barrels versus 260,000 in Alaska. Additional hardship from the senseless sabotage of over 600 oilwell fires requires the immediate attention of the world community.

The environmental damage in the gulf region has yet to be fully assessed. Completed environmental damage assessments serve as technical planning guidelines for cleanup and restoration—they are the most important first step to managing the environmental losses in the gulf region.

For its part, the United States has already provided over $10 million of technical assistance and resources through various Federal agencies with expertise in environmental rehabilitation. However, much more remains to be accomplished before the gulf war is behind us.

It is clear that the way of the life for the people of the gulf region will be dramatically altered for generations to come, because of Saddam Hussein's environmental destruction. A full recording of damages to fisheries, grazing lands, crops, and other commercial interests has yet to be made. Public health injuries due to atmospheric, soil, and water pollution have yet to be treated.

It is my hope that this resolution will lead to international efforts to prevent ecoterrorism. Full damage assessments, cleanup, and restoration of the gulf's ravaged environment must get underway. Only then can we close the vast wounds of this horrible war and halt ecoterrorism—once and for all time.

TRIBUTE TO DR. MANUEL TRINIDAD PACHECO—FIRST HISPANIC PRESIDENT OF THE UNIVERSITY OF ARIZONA

HON. ED PASTOR

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 18, 1991

Mr. PASTOR. Mr. Speaker, it is with great pleasure that I address my colleagues in the House today. I wish to recognize Dr. Manuel Pacheco who has just made history as the first Hispanic president of the University of Arizona.

Dr. Pacheco, the oldest of 12 children, was born in Rocky Ford, CO, and was raised on a farm in Maxwell, NM. He served as a role model in his own home by setting an example for his 11 siblings, all of whom later earned a bachelor of arts degree and 4 that earned doctorates. His love for learning made an impact on his own mother when she decided to go back to school and earn a bachelor of arts degree. The high expectations the family had placed before him were fulfilled with his new appointment that make him the highest ranking Hispanic in American higher education.

His professional career started in the classroom. He began his career as a French and Spanish teacher in New Mexico high schools. Following his experience as a lecturer at New Mexico Western University, Dr. Pacheco joined the faculty of Florida State University in 1968 as an assistant professor in the department of foreign language education. In 1971, Dr. Pacheco returned to his native State to

teach in the Spanish and Portuguese department in the University of Colorado. Dr. Pacheco was promoted to associated professor in 1972 and also served as coordinator of Mexican-American studies.

In 1972, Dr. Pacheco entered what was to become a strong administrative career in higher education. From 1971 to 1977, Dr. Pacheco was dean of the university and professor of education at Texas A&I University, now called Laredo State University. He left Texas A&I for a year to chair the multicultural education department in San Diego State University. He returned to Texas A&I University in 1978 as executive director for the Bilingual Education Center, and director of the doctoral program.

From 1982 to 1984, Pacheco was at the University of Texas-El Paso, first as associate dean of the college of education and professor of curriculum and then as executive director of planning. From 1984, Dr. Pacheco was on leave from UTEP as chief policy aide to the Governor of New Mexico.

In 1984 Dr. Pacheco was named president of Laredo State University to be followed as president of University of Houston-Downtown in 1988.

As the first Hispanic congressman from Arizona I'm proud to share the admiration and respect I hold for this exceptional member of the Hispanic community with my fellow Arizonans. Dr. Pacheco's achievements are indeed a source of inspiration for all of us.

EASY FOR THEM TO SAY OR ADD MORE HYPOCRISY THAN ENLIGHTENMENT

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 18, 1991

Mr. STARK. Mr. Speaker, I offer the following letter sent November 14:

THE PARTNERSHIP ON HEALTH CARE & EMPLOYMENT,
P.O. Box 27414
Washington, DC.

DEAR SIRS: I read your full page ad entitled "101 Economists Agree: Mandating Health Benefits is More Disease than Cure." It had a nice list of names of professors who all worked at various colleges and universities.

Hope in your next ad you could tell us how many of them already have health insurance provided by the colleges for which they work?

Thank you.

Sincerely,

PETE STARK,
Member of Congress.

A TRIBUTE TO DR. WAYNE VAN GELDEREN, SR., BEFORE THE U.S. HOUSE OF REPRESENTATIVES

HON. HARRIS W. FAWELL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 18, 1991

Mr. FAWELL. Mr. Speaker, I would like to take this opportunity to honor Dr. Wayne Van Gelderen, Sr., who will be celebrating the occasion of his 25th anniversary as pastor of Marquette Manor Baptist Church in Downers Grove, IL, on Sunday, December 1, 1991.

A native of Miami, FL, Dr. Van Gelderen attended and graduated from Bob Jones University, receiving a B.A. in 1946 and an M.A. in 1947. He has been a pastor in Florida, Michigan, Colorado and now in Downers Grove, IL.

Dr. Van Gelderen was called to the historic Marquette Manor Baptist Church in Chicago in 1966. He led the church in moving to Downers Grove in 1970. He was honored with a doctor of divinity degree in 1966 by the San Francisco Baptist Theological Seminary.

Dr. Van Gelderen serves on the board of the Fundamental Baptist Fellowship; is the treasurer of the Baptist World Mission; is a member of the executive board of the American Association of Christian Schools; and is the president of the Illinois Association of Christian Schools. In January, 1992, he will also be recognized for 44 years in the ministry of the Gospel.

Dr. Van Gelderen is best known for his warm, yet uncompromising teaching of the word of God.

A TRIBUTE TO ARTIST PETRONIO CALDERA

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 18, 1991

Ms. ROS-LEHTINEN. Mr. Speaker, Mr. Petronio Caldera is a Nicaraguan artist and caricaturist whose art is characterized by the simplicity of his work, his ability to capture the expression, vitality and movement in his subject. His oil paintings are works of outstanding creativity.

Mr. Caldera's work has been on display for several years in the World Exposition of Caricatures in Montreal, Canada. His display is called "Man and His World."

In 1990, Mr. Caldera received first place in an exhibition at the Cuban Municipal Fair in Miami, FL. He received a trophy and a silver medal for his entry. The following year, Mr. Caldera received second place for his outstanding work of art.

Prior to these awards, Mr. Caldera participated in an expedition called "El Salon de la Historieta Mexicana" which took place in "El Palacio de Bellas Artes" in Mexico City in 1973. In 1978, Mr. Caldera received top honors for his art and was given a gold medal by Ruben Dario's Honor Guard in Managua, Nicaragua.

It is certainly fitting for Mr. Caldera to present his art to us here in the United States during this coming year for the celebration of the quincentennial of the discovery of the new world.

It is truly an honor to have the opportunity to acknowledge Mr. Caldera's work. His artistic talent and sharp skills are certainly a tribute to man and his world.

TRIBUTE TO BEVERLEY YIP

HON. RANDY "DUKE" CUNNINGHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 18, 1991

Mr. CUNNINGHAM. Mr. Speaker, on Monday, November 11, 1991, San Diego lost a great friend and dynamic leader with the passing of Mrs. Beverley Yip. And though she is no longer with us, the fruit of her work remains. Mrs. Yip lead many fights to help San Diego's immigrant communities, particularly the Asian-American community.

In 1974, Beverley Yip founded the Union of Pan Asian Communities [UPAC] with a $30,000 grant and developed it into the largest social service agency for Asians in the San Diego area. Today, UPAC serves over 13,000 Asian-Americans from Cambodia, China, the Philippines, Japan, Korea, Laos, Vietnam and the many island-nations of the Pacific with a budget of $2.6 million.

Mrs. Yip was best known as an advocate for cultural understanding, exercising diplomacy and sensitivity while masterfully asserting the rights and roles of Asian-Americans in government and society. Her commitment to show others how to obtain equal opportunity was not only limited to Asians. Beginning in 1990, Mrs. Yip made sure that UPAC incorporated Ethiopians, Iranians, Eastern Europeans and Soviet Jewish immigrants in their programs.

As executive director of UPAC, Beverley Yip expanded services to provide 24 social programs that included child care, mental health services, physical exercise course, senior citizen assistance, and a child-abuse prevention project in collaboration with the Urban League and Home Start.

In addition to her many years with UPAC, Beverley Yip was also a member of the San Diego Housing Commission, the San Diego County Task Force on Services to Older Minority Persons, and the Board of Overseers of the University of California at San Diego.

With the responsibilities and visibility that distinguished Mrs. Yip's position as a local leader in San Diego, she was a true inspiration to our leaders and our citizens. Beverley Yip did not pursue the prominence that she ultimately attained as part of an ambitious competition for power or publicity; she persisted and triumphed because she spoke out and fought for the immigrants who thought they lacked the means to improve their communities. She showed them, and others who will follow, how to achieve the America and resolve mutual problems—together.

I am honored to pay tribute to this great lady who has done so much for so many. Beverley Yip is survived by her husband Phillip Yip daughter Janice, son Keith and his wife Cindy.

May the RECORD show that she will be greatly missed by all, that she exemplified the finest qualities of our immigrant Nation, and that she served America well.

SPECTRE SCHOLARSHIPS FOR 16TH SPECIAL OPERATIONS SQUADRON

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 18, 1991

Mr. DORNAN of California. Mr. Speaker, I rise today to bring to the attention of my colleagues and the citizens of this country the courage and sacrifice of 14 members of the Air Force's elite 16th Special Operations Squadron, who lost their lives in service to their Nation when their AC–130 Spectre gunship was shot down during heavy fighting in the Persian Gulf war.

These brave soldiers are survived by 10 widows and 22 children ranging from newborn to 18 years of age. Although military survivor benefits will be provided to these families, these benefits do not include provisions for college educational assistance. However, a scholarship fund has been created to provide such benefits to these families.

I encourage anyone who can contribute to this fund to consider the personal loss of these families, and the importance that such a scholarship fund will mean to the children of 14 servicemen who made the highest sacrifice for their country.

MR. SIDNEY FRIEDMAN IS NAMED RENAISSANCE SCHOLARSHIP FUND HONOREE

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 18, 1991

Mr. CLINGER. Mr. Speaker, I rise today to bring the attention of this body to one of my most distinguished constituents, Mr. Sidney Friedman of State College, PA. Mr. Friedman has been named this year's Renaissance Scholarship Fund Honoree by Penn State University.

The Renaissance Fund provides support to financially needy students with strong academic records and since its inception in 1969, it has awarded scholarships worth more than $1.2 million to 757 students. In the last year alone, 151 students were awarded scholarships and allowed to pursue an academic career that might not have been possible otherwise.

This noble Penn State institution is funded through local fundraising events, including the annual Renaissance dinner, where they honor someone who has contributed significantly to helping young people. In choosing someone who has embodied the principles of helping others and contributing to the quality of life in the Centre region, the Fund's board of directors could not have made a better choice than Sid Friedman.

Mr. Friedman was born the youngest of eight children to immigrant parents and had to work hard to put himself through Penn State University. In 1944, he graduated and soon went to work for the area newspaper, the Centre Daily Times.

Throughout the next 3½ decades, Sidney Friedman flourished in a number of area enterprises, always believing that being part of a community means giving something back to your neighbors and helping those in need of a hand. Working to that end, he headed a committee for the campaign for Penn State that raised over $22 million to benefit the university.

The list of Sid Friedman's accomplishments is long, but it is sufficient for me to say that Centre region is truly a better place because of the work of Mr. Sydney Friedman. I invite all of my colleagues to join me today in saluting this fine man and thanking him for his efforts.

CONGRATULATIONS TO STATE CHAMPIONS

HON. JIM NUSSLE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 18, 1991

Mr. NUSSLE. Mr. Speaker, I would like to take this opportunity to offer my most enthusiastic congratulations to the members of a high school football team in my hometown of Manchester, IA. Actually, the West Delaware Hawks are not just a football team; on Saturday, November 16, they become the State champions.

Playing before a huge crowd at the University of Northern Iowa Dome, cheering fans watched the unranked Hawks cap a 12–1 season by defeating the top-ranked Spencer Tigers.

This tremendous victory is, in no small part, due to the talent and leadership of the West Delaware quarterback, Adam Tyrrell. Adam not only completed 10 of 17 passes for 133 yards and threw an 11-yard touchdown pass, he also scored a touchdown himself in the third quarter to lead the Hawks to their 27–11 triumph. When asked to comment on the game, Adam said, "Our line does a great job and our running backs are great. And we've got so many receivers we can go to, there's nobody in the State who can cover them all."

As Adam Tyrrell stated, the Hawks' successes this season, and especially Saturday's victory, were due to the hard work of not just a few players, but the result of an entire team's dedication to working together for the benefit of the whole. Like any team, the West Delaware Hawks have their star players, but you don't become the State champions because of a few players. You become the State champions when you understand what it really takes to win; when you understand that individual efforts and successes mean nothing when individuals are driven only by the hopes of personal glory. And you become true champions, in every sense of the word, when you can successfully execute this knowledge as a team.

Coach Dave Jacobson of the unranked West Delaware Hawks played a key role in the success of his wining team. On Saturday, he may have felt much the way New York Mets coach Yogi Berra did before the 1969 World Series against the Baltimore Orioles. He said, "We may be underdogs, but at least we are overwhelming underdogs."

Underdogs or not, today, the West Delaware Hawks are the Iowa State 3A High School football champions.

Congratulations.

A TRIBUTE TO MR. ARNIE MAGENHEIM

HON. SUSAN MOLINARI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 18, 1991

Ms. MOLINARI. Mr. Speaker, at the outbreak of the Persian Gulf War, people around this country attempted to ease the pain of separation by comforting the family members left to wait for the return of their loved ones. In my district, a very special gentleman took it upon himself to reach out to the children of the crew of the USS *Normandy* during this period. This very special person was the student's principal Mr. Arnie Magenheim.

Arnie set up workshops for the children which included guest speakers, such as myself, to encourage them to share their fears and concerns about the war. Indeed, they learned that it was OK to be afraid and to miss their fellow family members. Most importantly, the children learned that there were others who felt the same way.

Arnie recently retired his position as educator to the youth of Staten Island last June. This caused a great loss to the education system of Staten Island. On November 20, a reception will be held in his honor affording the people of Staten Island the opportunity to say thank you for all the time and energy he has devoted to our families.

Arnie Magenheim time and again has dedicated himself to the children of Staten Island. he has been an educator for the past 40 years, not only teaching our children about words and numbers, but about the basic values such as respect, friendship, and understanding. As a teacher and a principal in a multicultural school, he has been an authority figure as well as a friend to his students.

Arnie's many years of commitment and dedication have been an invaluable service to the community. We on Staten Island will all greatly miss him, and we wish him much happiness in the future.

IN TRIBUTE TO MILDRED C. BIRD

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, November 18, 1991

Mrs. ROUKEMA. Mr. Speaker, I rise today to pay special tribute to Mildred C. Bird, as she is honored at the New Jersey League of Municipalities Annual Convention in Atlantic City, NJ today, Wednesday, November 20, 1991.

Millie has served the residents of Bloomingdale, NJ in various capacities for over a quarter of a century. She was first appointed as municipal clerk for the borough on February 1, 1966, a position in which she served until her promotion to acting borough administrator in June 1987, and subsequently, borough administrator in August 1989. During her tenure, Millie was responsible for the daily

operation of the borough and for the coordination of the various municipal departments.

Millie's service is marked by distinction during this period, as evidenced by her length of tenure and her ultimate promotion to the borough's chief executive position. Her capable management style received bipartisan support during a time of dramatic growth in the community and subsequent pressure on municipal services. She has helped to build and improve the quality of life and sense of community that has endured in this small town of Bloomingdale for so many years.

Millie's experience and ability to get the job done is also recognized by her peers. The Passaic County Municipal Clerks Association saw fit to elect her to serve as their corresponding secretary, recording secretary, treasurer, vice president and ultimately, president. She was also selected to serve as treasurer, secretary, second and first vice president, for the New Jersey Association of Municipal Clerks.

Millie's energies and talents were not confined to her professional career. She has also given of her time to a number of community-based support groups. She is past chairwoman of the Bloomingdale United Way; a long-standing member of the Butler Rotary Club, and a member of the Veterans of Foreign Wars Auxiliary, Post 9458, in Bloomingdale. Millie has demonstrated the true spirit of community involvement; both on a professional level and a personal level.

Mr. Speaker, to paraphrase Ralph Waldo Emerson, the only true gift one can give is a portion of thyself. This week, the New Jersey League of Municipalities will recognize Millie Bird for the many gifts she has given to her community and her State. I ask my colleagues to join with me in that recognition.

THE AWARDING OF THE PRESIDENTIAL MEDAL OF FREEDOM TO FORMER GOVERNOR LUIS A. FERRE OF PUERTO RICO

HON. RON de LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 18, 1991

Mr. DE LUGO. Mr. Speaker, the President of the United States has just awarded the Presidential Medal of Freedom to several people, including our great former Speaker, Thomas P. "Tip" O'Neill, Jr.

A resident of one of the insular areas, Luis A. Ferre of Puerto Rico, was another of the distinguished Americans honored and it is to Don Luis that I would like to pay tribute for a moment.

News accounts of the award have listed Luis Ferre as a former Governor of Puerto Rico and he certainly deserves recognition for the good works of his administration.

But the President did not give Don Luis the Nation's highest civilian award because he was a good governor * * * or even because this Republican State chairman has long been "Mr. Republican" in Puerto Rico.

He was honored because his life is a model of public service and outstanding dedication to his country.

Don Luis is the patriarch of the statehood movement in Puerto Rico. And, as unfortunately divisive as the issue of future political status is in the commonwealth, he has championed the statehood cause with such dignity that he is acclaimed by supporters of all status options as a statesman.

Luis Ferre advocates statehood because he has a vision of equal rights and responsibilities for his people. At 87, he has led the statehood drive to plurality support (if polls are a reliable guide) and still dreams of seeing Puerto Rico become a full partner in the American Union.

His achievements, however, are not limited only to the political arena.

Don Luis has also had enormous success in business and accomplished much as a philanthropist. One of his family companies was the first Puerto Rican industry listed on the New York Stock Exchange. Among other contributions to education and the arts, his generosity is responsible for the Ponce Museum of Art in his home city.

An engineer who is proficient in the classical piano, he is, above all else, a fine gentleman and a kind human being. It is a privilege to know this inspiring man.

THE FEDERAL COURT SETTLEMENTS SUNSHINE ACT OF 1991

HON. DAVID E. SKAGGS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, November 18, 1991

Mr. SKAGGS. Mr. Speaker, today I'm introducing the Federal Court Settlements Sunshine Act of 1991. I'm pleased to be joined by nine of my colleagues in proposing this legislation to ensure the public's right to know what's happened when Federal agencies settle cases in court.

This bill would set up a tough standard that would have to be met before the U.S. Government could be a party to sealing from public view the settlement of civil cases in Federal court. In any case involving a Federal agency or official, settlement documents would have to remain public unless the trial judge made a written determination that a compelling public interest required the settlement agreement to be kept secret. Since we're talking about the public's business, and large sums of money or significant policy issues may be at stake, it's only right that we all have a chance to see what kind of deals our Government has entered into.

Across the country, various agencies of the Federal Government are routinely involved in litigation concerning matters ranging from the cleanup of toxic waste dumps to the safety of consumer products. Frequently, when these cases are settled, the judge considering a case will seal—or block from public disclosure—the terms of the settlement. The reasons for such sealing can range from speeding up the process to protecting someone's reputation.

I know that many of my colleagues are aware of the case of the Silverado Savings & Loan Association in Colorado. The collapse of this S&L will probably end up costing American taxpayers over $1 billion. But because a Federal court agreed to seal the terms of the settlement reached between Silverado and the Government, those same taxpayers will not be able to learn just why they have to shell out this kind of money.

Settlements involving Federal agencies are the public's business, and they should be open to public scrutiny. It's as simple as that.

Mr. Speaker, we're living at a time when many Americans feel increasingly alienated from their Government. This bill presents one approach that may help restore the trustworthiness of certain Government actions. I hope my colleagues will join me in promoting the public interest by supporting the full disclosure of the public's business in court.

TRIBUTE TO THE BALTIMORE DISTRICT ZOA

HON. BENJAMIN L. CARDIN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, November 18, 1991

Mr. CARDIN. Mr. Speaker, the Zionist Organization of America has a long history in the establishment of the Jewish homeland, tracing its origins to Theodor Herzl's First Zionist Congress in 1897. It is the oldest Zionist organization in the nation.

In 1904, noted Baltimorean, Dr. Harry Friedenwald, was national president of the Zionist Federation (which became the ZOA). In 1983–86, Baltimore lawyer and communal leader, Alleck A. Resnick, was national president of the Zionist Organization of America.

The Baltimore District is the largest and most productive ZOA district in the Nation and has been cited repeatedly for accomplishments in membership, fundraising campaigns and community action.

For 48 years, the Baltimore District has honored local, national and international celebrities with its Justice Louis D. Brandeis Award. On December 8, 1991 the Baltimore District will hold its 48th annual ZOA Brandeis Banquet honoring Mr. Jan Willem Van Der Hoeven, founder of the International Christian Embassy in Jerusalem.

Established in 1980 in response to the exit of other embassies from Jerusalem, the International Christian Embassy has been a symbol of solidarity and support for the Jewish State. The Embassy has raised monies to bring immigrants from Ethiopia and the Soviet Union and has assisted in supporting their resettlement as well. Mr. Van Der Hoeven has travelled worldwide seeking to gather support for the State of Israel.

Mr. Speaker, I hope you and my colleagues will join me in recognizing the Baltimore District ZOA and Mr. Jan Willem Van Der Hoeven for their efforts on behalf of Israel.

EARVIN "MAGIC" JOHNSON SCORES HIS GREATEST SHOT

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 18, 1991

Mr. DYMALLY. Mr. Speaker, I rise to pay tribute and to send my best wishes to Magic

Johnson. The courage exhibited by Magic in coming forward to state that he had contracted the HIV virus far exceeds any of his remarkable exploits on the basketball court.

Mr. Speaker, it appears that the leadership qualities which helped lead Magic and the Los Angeles Lakers to five world titles will now be utilized to educate the American public about the risk for HIV disease and ultimately AIDS.

Mr. Speaker, I would like to cite some instances of how serious the problem of AIDS is in the United States. According to the AIDS Action Council:

Since 1981, over 195,718 Americans have been diagnosed with AIDS; 126,159 of those have died;

More than 1 million Americans are infected with HIV, the virus which causes AIDS. About 215,000 of them will die within the next 3 years;

Some 52 percent of American children with AIDS are black, 25 percent are Hispanic, and 22 percent are White;

Deaths and years of potential life lost due to AIDS will rise by 150 percent—350 percent between 1989 and 1992.

Mr. Speaker, I would like to take this opportunity to thank Magic Johnson for 12 years of being a true virtuoso on the court and in the community. Magic Johnson has scored many three-pointers which meant victory for the Lakers. His next game-winning shot may lead to a longer and healthier life for Americans from all walks of life.

HONORING THE CITIZENS OF "SURF CITY"

HON. C. CHRISTOPHER COX

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 18, 1991

Mr. COX of California. Mr. Speaker, it is my privilege in this Congress to represent the citizens of Huntington Beach, CA. Huntington Beach has become known across America as "Surf City"—the perfect place to catch a wave, bask in the warm California sun, and enjoy the endless summer. Now the City of Huntington Beach will soon make that title official. By act of its duly constituted representatives, Huntington Beach will henceforth have as its official nickname, "Surf City."

Surfing is the sport of choice in Huntington Beach, but it's more than just a sport; it's a way of life that blends the spirit of optimism, the enthusiasm of youth, and the artistry of the old. Not only the denizens of Huntington Beach, but visitors from all over California and around the world have enjoyed this upbeat mood. They appreciate our special place in the sun, where nine miles of ocean, sky, and some of the finest beach strands in the world form one of natures most beautiful combinations.

Each year, thousands of people are welcomed to Huntington Beach for the chance to watch the best surfers in the world in international competition. And increasingly, people are coming to see the International Surf Museum—naturally, located in "Surf City."

Mr. Speaker, the citizens of Huntington Beach deserve our hearty congratulations for making their hometown California's official "Surf City." After all, Huntington Beach is not only California's favorite sun and surf town, it is America's too.

AMERICA NEEDS COMMUNITY EDUCATION

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 18, 1991

Mr. LEHMAN of Florida. Mr. Speaker, next week we observe American Education Week. As a former high school teacher, and as a former member and chairman of the Dade County School Board, I have a keen appreciation of the fine teachers, administrators, volunteers, parents, and students who make public education in this country work.

But there is another side to public education that I wish to recognize today.

On Saturday, November 23, the Dade County Coalition for Community Education will gather for its annual awards dinner. Mr. Speaker, I know these people, and I can tell you that I have never seen a more creative, dedicated, or energetic group anywhere. These people are truly "doers."

The idea of using public schools during nontraditional times began during the Great Depression when an educator in Flint, MI named Frank J. Manley, with the help of wealthy industrialist Charles Stewart Mott, started using public schools after school hours.

In Miami, we began using the Flint model during the 1960's. Now, community education is common in school systems throughout the country, and no wonder. It makes a lot of sense to keep the schools open and to use them to the advantage of every citizen. What is particularly attractive is that each of these programs is geared to meet the particular needs and interests of the surrounding communities.

During the 1960's, as a member of the Dade County School Board, I helped to implement community education in our local school system. As a member of the Education and Labor Committee in the 1970's, I was proud to play a role in the development of Federal legislation which help foster the growth of community education programs.

Mr. Speaker, I salute the Dade County Coalition for Community Education and the many fine people who have made community education in Dade County the success that it is. I have every confidence that even greater success is yet to come.

IN MEMORY OF CHRIS LINDBURG

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 18, 1991

Mr. SHUSTER. Mr. Speaker, in life there are those rare people you come across who make a difference in your life just by being there.

One of those people was Chris Lindburg. Chris began working for me in the fall of 1987. He worked on my staff for almost 3 years before cancer forced him to retire from a job he told me so often that he loved. Chris passed away on Friday, and he will be sorely missed not only by me, but also by all of the people who had the good fortune to know him.

It's difficult to put into words what was so special about Chris. He was one of those unique individuals who spread cheer wherever he went. If there was ever anyone who could honestly be said to have a good nature, it was Chris. Everyone who met him could not help but like him. None of us could ever really say why it was we liked him so much—it wasn't just his smile, it wasn't just his jokes, it wasn't just his warm nature. It was the fact he was Chris, and that was all anyone needed to know.

One thing that sticks out about Chris is the fact that he loved to help people. While some dread constituent casework, Chris welcomed it. There are countless people in the 9th District of Pennsylvania who benefitted from Chris' tireless work to resolve their problems.

Even after Chris left my office, he continued his efforts to help others by volunteering at the Red Cross until his condition worsened and he had to be hospitalized.

That is what kind of person Chris was. His life was an endless act of courage, struggling to lead a normal life while his body conspired against him. Chris' courage and good nature spread to all those around him. His influence is something that will stay with us forever.

Chris Lindburg was a strong and gracious man who, with his passing, leaves behind his wife Melissa, his family, and many, many friends who are sad he is gone but very, very happy he touched their lives.

PASSIVE LOSS RULES NEED FIXING

HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, November 18, 1991

Mr. TORRICELLI. Mr. Speaker, there has been a great deal of discussion in recent days about the need to enact a tax package to provide a stimulus for the economy and to provide relief for beleaguered middle-class taxpayers. I agree with the need for such a package, but I hope that we will not overlook an even simpler change to our Tax Code that will bring similar benefits to working families and to our overall economic health. That change is the long overdue revision of the passive-loss rules for real estate that were created by the Tax Reform Act of 1986.

Under the current passive-loss rules, any loss from rental real estate ownership is classified as passive. At the same time, income from real estate activities, such as development, construction, leasing, and brokerage, is considered active. Since a passive loss may only be used to offset income from other passive activities, people in the real estate business are taxed on the gross income of their real estate business operations and not on their net income. This treatment is completely different from the treatment of other businesses, and it is severely damaging our economic well-being.

The problem is that by denying a deduction to rental property owners, we discourage them from holding on to troubled properties. These owners then turn their properties over to lenders, many of whom are going under or are dangerously close to failing because of the large inventories of real estate they have taken back from borrowers. These large inventories have created a glutted and unstable market that is not conducive to selling assets. As a result, we must continue to pump billions of dollars into the Resolution Trust Corporation to cover the losses of failed S&L's, and we will soon be sending to the President a bill to increase the FDIC's line of credit by a staggering $25 billion.

It's time to allow individuals actively engaged in the real estate business to be treated like individuals in other businesses, and it's time to recognize that the health of the real estate industry is vital to the health of our economy. I am proud to be a cosponsor of H.R. 1414, introduced by my colleagues, MIKE ANDREWS and WILLIAM THOMAS, which will end the unfair treatment of real estate industry by allowing rental real estate activities of a taxpayer actively engaged in the real estate business to be treated in the same manner as the nonrental activities of that taxpayer.

Mr. Speaker, H.R. 1414 has over 300 cosponsors. It is a sensible measure that is desperately needed to promote economic recovery. We need not wait for another tax vehicle to move this legislation. We must act on H.R. 1414, and we must act on it now.

IN RECOGNITION OF THE TENDERLOIN NEIGHBORHOOD DEVELOPMENT CORP.

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 18, 1991

Ms. PELOSI. Mr. Speaker, I rise to recognize the 10th anniversary of the Tenderloin Neighborhood Development Corp. [TNDC] of San Francisco, a nonprofit organization that has emerged as a leader in the efforts to build and preserve a better San Francisco.

The Tenderloin, in the heart of the city, has historically been a gateway for immigrant families and people on their way up the economic ladder. The neighborhood has traditionally been a haven for a low-income population with a constantly shifting ethnic and social blend.

Ten years ago, as the area was hit hard by urban problems, the Tenderloin community came together to address a need for safe and affordable housing. Out of these community meetings grew the Tenderloin Neighborhood Development Corp., which would begin to respond to this concern expressed by seniors, families, and other long time residents.

In 1981, the TNDC bought its first residential hotel. It has quickly grown into an organization that provides low-income housing for over 800 residents in eight buildings in the Tenderloin area, making the TNDC the largest nonprofit manager of low-income housing in San Francisco.

Under the leadership of Brother Kelly Cullen, O.F.M., president of the board of directors, the TNDC does more than simply providing housing. Tenants become actively involved in tenant associations established in the building, as well as staffing the maintenance and management positions, which keep the buildings secure. TNDC also houses many community service and social programs, including Saint Anthony Employment, Travelers Aid, Services for Seniors, Swords to Plowshares, the Bay Area Women's Resource Center, and the Tenderloin Community Arts Program.

The TNDC also provides affordable commercial space, assisting local merchants in getting started, improving the Tenderloin business climate and generating much-needed neighborhood jobs.

In its 10th year, the TNDC continues to seek new opportunities to serve the community, empower tenants, and provide more affordable housing. I commend Brother Kelly Cullen and the staff of the TNDC, and wish them many more years of success in aiding the Tenderloin community.

TRIBUTE TO JULIA MORGAN

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, November 18, 1991

Mr. PAYNE of New Jersey. Mr. Speaker, it is a pleasure for me to call to the attention of my colleagues here in Congress the accomplishments of an outstanding professional, Ms. Julia Morgan of Hillside, NJ, who is retiring after 31 years of dedicated service to our State.

During the course of her career, Ms. Morgan achieved a number of groundbreaking firsts. She was the first black woman in New Jersey's history to hold the position of director of the Division of Administration, a post to which she was appointed on January 28, 1988. She also served as the only black personnel officer in State service.

In December of 1987, Ms. Morgan received her certified public manager certification, which made her the first female to complete this training at the Board of Public Utilities. In December 1989, she became a member of the Senior Executive Service.

Ms. Morgan began her career in February of 1960 with the State of New Jersey in the Department of Banking and Insurance in the Real Estate Commission. She transferred to the Board of Public Utilities Commissioners in 1973. She moved up through the ranks, serving 11 years as the chief of personnel for the Board of Public Utilities.

In addition to her impressive professional achievements, Ms. Morgan also found the time to make tremendous contributions to her community. Her service to the Newark community includes her position as former president of the Parent's Organization of St. Benedict's Preparatory School, former vice president of Calvary Christian School Board; and former president, Calvary Gospel Church Adult Choir.

Ms. Morgan has also completed a course through the Newark Library Literacy Program to teach reading on a volunteer basis to those who lack basic literacy skills.

Although Ms. Morgan is retiring from government service, hers will be an active and productive retirement. She will be doing volunteer work at University Hospital, helping with boarder babies, in addition to working as a volunteer with court appointed special advocate [CASA] in Union County and the Child Placement Review Board.

Ms. Morgan is the parent of one son, Angelo, who was recently appointed by the Governor to the Juvenile Justice Delinquency Prevention Advisory Committee.

Mr. Speaker, I know my colleagues join me in offering our appreciation to Ms. Morgan for her exemplary public service and in wishing her well on the occasion of her retirement. May she enjoy the same challenges and fulfillment in the coming years that marked her outstanding career over the past 31 years.

THE UNITED STATES SHOULD RECONSIDER VIETNAM TRADE SANCTIONS

HON. RICHARD J. DURBIN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 18, 1991

Mr. DURBIN. Mr. Speaker, amid the President's efforts to bring peace and stability to Cambodia and the Southeast Asian region, I wish to encourage further steps to ease trade restrictions against Vietnam. The United States has prohibited diplomatic, commercial, and cultural relations with Vietnam since 1975, an embargo imposed by executive order under the 1917 Trading With the Enemy Act. While the embargo has reflected United States opposition to the Soviet Union and its client, it now undermines United States interests. The President is correct to reconsider our policy. These trade restrictions, imposed as Saigon fell in 1975, are anachronistic today, in light of Vietnam's market reform, the aggressive trade policies of our European and Asian economic rivals, and the decline of Soviet influence.

As a "Group Z" country, Vietnam is currently subject to the most strict and complete form of economic sanctions, a distinction Vietnam will share only with Cuba and North Korea when Cambodian trade normalization begins. Vietnam is denied United States commercial contact, including financial transactions or vital investment by United States firms. The hardship experienced by U.S. firms stands in dramatic contrast to the activities of other nations which have filled the commercial vacuum created by our self-imposed absence. NATO nations and Japan invested approximately $2 billion in Vietnam in 1988 and two-way trade may reach $5 billion this year. Japan's bilateral trade with Vietnam, roughly $800 million in 1990, has now increased by 45 percent.

United States trade and diplomatic relations with Vietnam have properly depended upon progress on two vital issues: A resolution of the conflict in Cambodia and cooperation in accounting for America's Missing in Action and Prisoner's of War. However, Vietnam withdrew from Cambodia in 1989, a step reaffirmed by the signing of the earlier peace accord. Clarification of the status of America's POW's and

MIA's has been furthered by a series of constructive steps, including the opening of an American office in Hanoi, joint search missions and the repatriation of remains. Veterans groups, such as the Vietnam Veterans of America Foundation, support the expansion of economic ties, believing that increased commercial contact will contribute to the resolution of outstanding POW/MIA issues. Elected officials who are, themselves, Vietnam veterans have also argued that expanded commercial contact will contribute to the resolution of POW/MIA issues.

The President has proposed a road map for trade and diplomatic recognition of Vietnam linked to Vietnamese cooperation resolving the conflict in Cambodia and cooperation on POW/MIA issues. The embargo would be eased for United States-organized travel to Vietnam by individuals and groups. Limitations on travel for Vietnamese diplomats accredited to the United Nations will also be lifted. Trade sanctions would be relaxed and, ultimately, lifted 6 months after a full peace accord. Diplomatic relations would be restored following elections in Cambodia. While these steps to ease trade restrictions are encouraging, they suggest a timetable that may provide insufficient assistance for American firms competing internationally.

Efforts to lift the trade sanctions have proceeded on a bipartisan basis in both the House and Senate. Senator FRANK MURKOWSKI, along with Senator JOHN KERRY, deserve credit in this regard, as do my House colleagues JIM KOLBE, TOM CARPER, PETE PETERSON, CHET ATKINS, AND JOHN RHODES.

Vietnam's record involving human rights remains troubling. However, Vietnamese economic reforms have been accompanied by revisions of the criminal code, expanded rights of travel and worship, declarations of amnesty, and reductions in prison populations. Far more egregious violators of United States human rights laws, such as China, are extended the basic trade and diplomatic relations which we now deny to Vietnam. Furthermore, Vietnam's recent practices have demonstrated a moderation of its prior human rights violations, while China appears to be growing more intransigent and intolerant. Increased trade contact can be expected to improve Vietnam's human rights record. Vietnam should receive basic trade and diplomatic relations and no longer be treated as an international trade outlaw.

The people of Vietnam are terribly poor, with a per capita income of less than $200. With the Soviet Union, itself, in turmoil, it will be unable to continue to support Vietnam, its former client. Vietnam desperately looks to the West for assistance and commercial opportunity. United States businesses deserve the opportunity to engage in trade and do business with Vietnam on an equal basis with our international competitors. Eventually, U.S. opposition to multilateral and international financing through the International Monetary Fund and World Bank should be reversed and diplomatic relations restored. The President should be credited for his efforts to promote diplomatic and trade relations with Vietnam. The sanctions have outlived their usefulness. The continuation of the harshest of trade sanctions undermines regional prosperity and thwarts the democratic aspirations of the Vietnamese people.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, November 19, 1991, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

NOVEMBER 20

9:00 a.m.
Select on Indian Affairs
Business meeting, to mark up S. 1036, Lumbee Recognition Act, and S. 1607, Northern Cheyenne Reserved Water Rights; to be followed by hearings on the nominations of A. David Lester, of Colorado, Wiley T. Buchanan, of the District of Columbia, Robert H. Ames, of California, and William S. Johnson, of New Mexico, each to be a Member of the Board of Trustees of the Institute of American Indian and Alaska Native Culture and Arts Development, to be followed by a business meeting to consider the aforementioned nominations; and to be followed by an oversight hearing on Federal court review of tribal court rulings in actions arising under the Indian Civil Rights Act.
SR-485

9:30 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Joint Economic
Investment, Jobs, and Prices Subcommittee
To hold hearings to examine the use of public employee pension funds to balance the budgets of state and local governments.
B-318 Rayburn Building

10:00 a.m.
Agriculture, Nutrition, and Forestry
To hold hearings to examine the employment situation in rural communities.
SR-332

Armed Services
Readiness, Sustainability and Support Subcommittee
To hold hearings on Department of Defense purchases from the Federal Prison Industries.
SR-232A

Finance
To hold hearings on issues relating to the Uruguay Round of trade negotiations, focusing on the need for agreements that offer improved market access to American firms and protection of intellectual property.
SD-215

Governmental Affairs
Business meeting, to consider pending calendar business.
SD-342

Select on Intelligence
To hold closed hearings on intelligence matters.
SH-219

1:00 p.m.
Governmental Affairs
Government Information and Regulation Subcommittee
To hold hearings on computer security regulation in the Federal government.
SD-342

2:00 p.m.
Judiciary
To hold hearings on pending nominations.
SD-226

NOVEMBER 21

8:00 a.m.
Foreign Relations
Near Eastern and South Asian Affairs Subcommittee
To resume hearings to discuss certain issues relating to the release of the Iranian held hostages in 1980.
SD-419

9:00 a.m.
Foreign Relations
Terrorism, Narcotics and International Operations Subcommittee
To resume hearings to examine allegations of drug trafficking and money laundering activities in the United States by the Bank of Credit and Commerce International (BCCI).
SH-216

9:30 a.m.
Energy and Natural Resources
Public Lands, National Parks and Forests Subcommittee
To hold hearings on the effect of the U.S. Forest Service plan and timber sale appeals on timber supply.
SD-366

Environment and Public Works
Nuclear Regulation Subcommittee
To hold hearings to examine international nuclear safety standards.
SD-406

Labor and Human Resources
To hold hearings to examine the status of fetal tissue medical research.
SD-430

Small Business
To hold hearings to examine trade and business opportunities for small American companies in Eastern Europe, the Baltic States and the Republics of the former Soviet Union.
SR-428A

Select on Indian Affairs
To hold hearings on the provisions of S. 1705, to resolve claims of the Sisseton-Wahpeton Sioux Tribe of South Dakota, the Devils Lake Sioux Tribe of North Dakota, and the Sisseton-Wahpeton Sioux Council of the Assiniboine and Sioux Tribes of Montana arising out of a judgment fund distribution.
SR-485

10:00 a.m.
Budget
To resume hearings to examine alleged waste and abuse in the Medicare program, focusing on practices involving payment and coverage of medical equipment and supplies.
SD-608

Foreign Relations
To hold hearings on the International Covenant on Civil and Political Rights, signed on behalf of the United States on October 5, 1977. (Exec. E, 95th Cong. 2nd Sess.)
SD-419

Judiciary
Business meeting, to consider pending calendar business.
SD-226

2:00 p.m.
Foreign Relations
To hold hearings on the nominations of John H. Kelly, of Georgia, to be Ambassador to the Republic of Finland, and William E. Ryerson, of Virginia, to be Ambassador to the Republic of Albania.
S-116, Capitol

Foreign Relations
East Asian and Pacific Affairs Subcommittee
European Affairs Subcommittee
To hold joint hearings on the impact of the European freedom radios broadcasting to China.
SD-419

3:30 p.m.
Foreign Relations
To hold hearings on the nomination of John R. Davis, Jr., of California, to be Ambassador to Romania.
SD-419

4:00 p.m.
Foreign Relations
To hold closed hearings to examine reporting cables of meeting with Saddam Hussein.
S-407, Capitol

NOVEMBER 22

9:00 a.m.
Foreign Relations
Near Eastern and South Asian Affairs Subcommittee
To continue hearings to discuss certain issues relating to the release of the Iranian held hostages in 1980.
SD-419

9:30 a.m.
Governmental Affairs
To hold hearings on the Federal Government's role in promoting energy conservation technology.
SD-342

10:00 a.m.
Environment and Public Works
Environmental Protection Subcommittee
To hold hearings to examine proposed revisions to the procedures for determining wetlands jurisdiction.
SD-406

Foreign Relations
Business meeting, to consider pending calendar business.
SD-419

NOVEMBER 26

9:30 a.m.
Select on Indian Affairs
To hold hearings on S. 1602, to ratify a compact between the Assiniboine and Sioux Indian Tribes of the Fort Peck Reservation and the State of Montana.
SR-485

CANCELLATIONS

NOVEMBER 21

9:30 a.m.
Governmental Affairs
Oversight of Government Management Subcommittee
To hold oversight hearings to review the Department of Defense hospital and medical supplies system.
SD-342

POSTPONEMENTS

NOVEMBER 19

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on the nomination of Alan Greenspan, of New York, to be Chairman of the Board of Governors of the Federal Reserve System.
SD-538